CONFIDENTIAL

"Confidentiality released
by the writer in 1988."

A COMPARATIVE ANALYSIS OF THE MARKETING EFFECTIVENESS OF JAPANESE WATCHES AND SWISS WATCHES IN HONG KONG

by

FUNG PUI-WING
馮 沛 榮

RESEARCH REPORT

Presented to

Professor An-min Chung

Dr. Charles F. Steilen

In Partial Fulfilment

of the Requirements for the Degree of

MASTER OF BUSINESS ADMINISTRATION

THE LINGNAN INSTITUTE OF BUSINESS ADMINISTRATION

THE CHINESE UNIVERSITY OF HONG KONG

May 1980

ABSTRACT

In recent years, Swiss watches have lost ground to Japanese watches in the Hong Kong watch market. This project was undertaken in order to investigate the reason behind this decline and to propose some recommendations for Swiss watch makers to restore Swiss watches' domination in the local market.

The sales problems of Swiss watches are investigated from a macro and a micro viewpoint. The macro viewpoint considers the development of worldwide watch market, especially after 1970; whereas the micro viewpoint considers the marketing effectiveness of Japanese and Swiss watches in the local market.

In the study of the development of worldwide watch market, Swiss watches were found to be competing with Japanese and Hong Kong watches. In 1979, Hong Kong became the largest watch exporting country in the world, followed by Switzerland and Japan. Swiss watch makers failed to respond to the increasing demand for quartz, and fashionable watches. This lack of response and higher production costs of the Swiss watchmakers created opportunities for Japanese quartz watches which are cheaper in price and more fashionable in style. The continual appreciation of the Swiss Franc vis-a-vis the US dollar and less concentrated advertising strategies used by Swiss watch importers have further reduced the competitiveness of Swiss watches vis-a-vis Japanese watches.

The local market was evaluated from the standpoint of salesman, retailer, and customer, and their attitudes towards Japanese and Swiss watches provided a firm basis for evaluating the

comparative marketing effectiveness.

Japanese watches are better in style and cheaper in price which are the most important criteria for choosing a watch. Swiss watches were found to be better in quality, accuracy, and durability which are the essential elements of watches, but no longer the first criteria for choosing watches. Seiko and Citizen were found to be the highest in brand awareness. Perhaps, this was the result of their heavier advertising expenditures compared with those of Rolex and Omega.

On the other hand, opportunities for promoting Swiss watches are still available. In the short-run, more promotional activities, especially product advertising on television are recommended. Additionally, the advantages of Swiss watches, such as better craftsmanship and skill, should be emphasized more in advertising. Distribution channels should be strengthened by providing more efficient services to retailers who, in turn, should provide relevant information to potential customers. Also, salesmen should be more knowledgeable in watch products and proficient in selling techniques.

In the long-run, repositioning of a few strong Swiss brands in various price submarkets to compete directly with Japanese brands is recommended. Taking advantage of Hong Kong's lower labour costs through joint ventures with local watch makers is a feasible solution to lowering the production costs of Swiss middle-price watches in the future; while the high price watches can continue to be produced in Switzerland. Thus, the competitiveness of Swiss watches will be strengthened. To remain an innovator in watch technology by investigating more advanced techniques, like Cesium movement, is an important product

strategy for the future.

Further studies are essential to understanding the details of the market dynamics. Therefore, it is proposed that the watch submarkets should be investigated so as to gain more insight into the comparative marketing effectiveness of Japanese and Swiss watches.

ACKNOWLEDGEMENTS

This marketing research project would not have been possible without the help of a number of people to whom I would like to express my gratitude.

I am greatly indebted to Dr. Charles F. Steilen, my supervisor for his guiddiance in developing the framework of this project and his helpful comments throughout the research. I am grateful to Professor An-min Chung for his constructive criticism and support. Thanks should also go to Dr. K.H. Lee, lecturer of Marketing Research, for his advice and suggestions, especially at the beginning of the project.

I am also grateful to the management of ESA Service (Far East) Ltd. for its generous financial support to this study. Additionally, I want to express my thanks to Mr. Dubois of the Swiss Watch Industry Information Centre for providing me with the necessary information.

The serious work of the fourteen interviewers who participated in the field survey contributed very much to enhancing the quality of this project and is highly appreciated.

I would also like to express my appreciation to Mr. Alan Goodyear, my classmate, for his assistance in proof reading.

Finally, I owe a special debt to my wife, Gemma, for her understanding, cooperation and encouragement.

Fung Pui-wing

TABLE OF CONTENTS

ABSTRACT ii

ACKNOWLEDGEMENTS v

TABLE OF CONTENTS vi

LIST OF FIGURES ix

LIST OF MAP x

LIST OF TABLES xi

Chapter
I. INTRODUCTION 1

Objective of the Study 2
Scope of the Study 4
Structure of the Report 4

II. GENERAL CONSIDERATIONS OF WATCH BUSINESS 6

Brief Review of the World's Watch Market 6
Electronic Watches 6
New Development of Watch Industry Centers 8
Hong Kong Watch Market 9
Product 9
Movement of the Watch 10
Brand and Style 12
Watch Pricing 12
Advertising and Promotion 13
Distribution 15
Illegal Activities in Watch Market 17
Geographical Distribution of Agents and Dealers . . 19
Swiss Watch Market 20
Japanese Watch Market 21
Hong Kong Watch Industry 23
Future Trend of Worldwide Watch Industries 24

III. METHODOLOGY 27

Research Design 27
Exploratory Study 28
Hypotheses to be Tested 29
Watch Salesman Interview 30
Design and Structure of Questionnaire 30
Sample Design 31
Data Collection 31
Watch Retailer Survey 33
Design and Structure of Questionnaire 33

Sample Design 34
Data Collection 34
Watch Customer Survey 36
Design and Structure of Questionnaire 36
Sample Design 36
Limitations of the Study 37
Estimation of Errors 40
Sampling Errors 40
Non-sampling Errors 40
Field Errors 41

IV. DATA ANALYSIS OF THE SALESMAN INTERVIEW 43

General Evaluation 43
The Relationship Between Salesmen's Selling Techniques and Interviewer Type 44
The Relationship Between Demonstration and Interviewer Type 49
The Relationship Between the Interviewer Type and Their Rating for Salesmen's Attitudes 49
The Relationship Between Shop Location and Where Hong Kong Watch are Sold 49
The Relationship Between the Watch Brand Recommended and the Attitudes of Salesmen 50
The Relationship Between the Interviewer's Buying Intention and Their Ratings on Selling Techniques 51

V. DATA ANALYSIS OF THE RETAILER SURVEY 52

Shop Location 52
Number of Salesmen 52
Major Customer 52
Type of Watches Sold 52
Authorized Dealer 53
Brands of Best Sales 53
Percentage of Watches Sold 54
Percentage of Watches Sold to Customer 55
Customers' Choice Criterion 56
Customers' Preference 57
Recommendation to Indifferent Customer 58
Sole-agents' Services to Retailers 58
Watch Easier to Sell and the Reason 59
Sales Comparison of Japanese and Swiss Watches in Submarkets 60
Retailers' Recommendations for Swiss Watches 62
Assistance from Watch Sole-agents 63

VI. DATA ANALYSIS OF THE CUSTOMER SURVEY 65

Demographics of the Respondents 65
Buying Experience of Respondents 66
Number of Watches Bought 66
Brand of Most Recent Purchase 66
Brand of Most Recent Purcahse and the Demographics of Respondents 66

Amount Paid for the Brand of Most Recent Purchase . 68
Years of Most Recent Purchase 68
Type of Most Recent Purchase 69
Reason for the Purchase 69
Condition of the Purchase 69
Information Sources Sought 70
Factors Considered in Buying Watches 70
Importance of the Factors 70
Underlying Factors of the Choosing Criteria 72
Swiss or Japanese Watches and the Factor Considered in Buying Watches 74
Choosing Factors of Swiss or Japanese Watch Buyers 75
Choosing Factors of Potential Swiss or Japanese Watch Buyers 75
Personal Income Groups and the Importance of Choosing Factors 80
Best Watches by Country 82
Comparison of Japanese Watches with Swiss Watches . . 82
Brand of Next Purchase 86
Brand of Next Purchase and Demographics of the Respondents 86
Brand of Most Recent Purchase and Brand of Next Purchase 86
Swiss or Japanese Watches of Next Purchase and the Factors Considered in Buying Watches 87
Most Popular Brand 88
Images of Various Brands 89

VII. SUMMARY OF THE FIELD SURVEYS 91

Summary of Findings of the Salesman Interview 91
Summary of Findings of the Retailer Survey 93
Summary of Findings of the Customer Survey 96
Result of the Hypotheses Tested 100

VIII. CONCLUSIONS AND RECOMMENDATIONS 102

Conclusions 102
Recommendations 106
Proposals for Further Studies 108

APPENDIX 1 110

APPENDIX 2 118

APPENDIX 3 132

APPENDIX 4 152

APPENDIX 5 195

BIBLIOGRAPHY 220

LIST OF FIGURES

Chapter II GENERAL CONSIDERATIONS OF WATCH BUSINESS

Figure II-1 The Basic Distribution Pattern of Watches in Hong Kong 15

Figure II-2 A Variation of the Basic Pattern of Watch Distribution in Hong Kong 16

Figure II-3 A Variation of the Basic Pattern of Watch Distribution in Hong Kong 17

Figure II-4 The Import and Export Flow of Watches in Hong Kong 18

LIST OF MAP

Chapter II GENERAL CONSIDERATIONS OF WATCH BUSINESS

Map II-1 Urban Districts of Hong Kong 19a

LIST OF TABLES

Chapter III METHODOLOGY

Table III-1 Sampling Design of the Salesman Interview 32

Table III-2 Sampling Design of the Retailer Survey 35

Table III-3 Sampling Design of the Customer Survey 38

Chapter IV DATA ANALYSIS OF THE SALESMAN INTERVIEW

Table IV-1 Percentage on Factors Perveived by the Salesmen Between Japanese and Swiss Watches 44

Table IV-2 F-values and Significance Levels of the Salesmen's Selling Techniques among the Interviewers 46

Table IV-3 F-values and Significance Levels of the Salesmen's Selling Techniques Between Local and Tourist Interviewers 47

Table IV-4 F-values and Significance Levels of the Salesmen's Selling Techniques Between Male and Female Interviewers 47

Table IV-5 Means of ANOVA Analyses Rated on the Salesmen's Selling Techniques 48

Table IV-6 Relationships Between the Watch Brand Recommended and the Attitudes of the Salesman 50

Chapter V DATA ANALYSIS OF THE RETAILER SURVEY

Table V-1 Percentage of Retailers Who Sold Watches to Customers 55

TAble V-2 Percentages of Customer's Preference for Choice Criteria 57

Table V-3 Percentage of Customers' Preference 57

Table V-4 Retailers' Opinions on Watch Sole-agents' Services 59

Table V-5 Retailers' Sales Comparison of Japanese and Swiss Watches in Submarkets 61

Table V-6 Correlation Between Japanese and Swiss Watch Sales in Submarket 62

Table V-7 Correlation Between Retailers' Characteristics and Whether Sole-agents' help is needed 64

Chapter VI DATA ANALYSIS OF THE CUSTOMER SURVEY

Table VI-1 Chi-square Test Between Japanese or Swiss Watches Purchased and Respondents' Demographics 67

Table VI-2 Mean Values of Choosing Factors 71

Table VI-3 Interpretations of the Factors 73

Table VI-4 Analysis of Variance of Choosing Factors Between Swiss and Japanese Watch Buyers . . . 76

Table VI-5 Choosing Factors in Order of Importance of Watch Buyers 77

Table VI-6 Analysis of Variance of Choosing Factors Between Potential Swiss and Japanese Watch Buyers 78

Table VI-7 Choosing Factors in Order of Importance of Potential Watch Buyers 79

Table VI-8 Significance of F-tests of Income Groups 80

Table VI-9 Mean Scores of Precious Metal by Income Groups 81

Table VI-10 Means of Choosing Factors by Income Groups 83

Table VI-11 Choosing Factors in Order of Importance of Various Income Groups 84

Table VI-12 Comparison Between Swiss and Japanese Watches 85

Table VI-13 Significance of Chi-square Tests Between Swiss or Japanese Watches and the Respondents' Demographics 87

Table VI-14 Image Profiles of Some Selected Japanese and Swiss Brands 90

Appendix 1 HONG KONG WATCH MARKET

Table 1 Hong Kong Total Watch Imports 110

Table 2 Japanese and Swiss Watches of Hong Kong . . . 111

Table 3 Total Watch Re-exports of Hong Kong 112

Table 4 Watch Exports of Hong Kong 113

Table 5 Advertising Expenditures on Media of Japanese and Swiss Watches 1978-1979 114

Table 6 Advertising Expenditures on Media of Japanese and Swiss 1978-1979 (Cont'd) 115

Table 7 Advertised Images of Some Selected Brands of Japanese and Swiss Watches 116

Appendix 2 THE SALESMAN INTERVIEW

Table 1 Salesman's Enthusiasm 118

Table 2 Salesman's Influences 119

Table 3 Relevant Information 120

Table 4 Buying Intention 121

Table 5 Watch Brands Recommended by the Salesmen . . 122

Table 6 Salesmen's Enthusiasm and Interviewers . . . 123

Table 7 Salesmen's Influence and Interviewers 124

Table 8 Relevant Information and Interviewers 125

Table 9 Buying Intention and Interviewers 126

Table 10 Demonstration and Interviewers 127

Table 11 Shop Location and Hong Kong Watches 128

Table 12 Shop Location and Hong Kong Watches (Cont'd). 129

Table 13 Shop Location and Hong Kong Watches 130

Table 14 Multiple Linear Regression Function 131

Appendix 3 THE RETAILER SURVEY

Table 1 Shop Location 132

Table 2 Number of Salesman 133

Table 3	Major Customer	134
Table 4	Major Customer and Shop Location	135
Table 5	Type of Watches Sold	136
Table 6	Type of Watches Sold and Shop Location	137
Table 7	Authorized Dealers	138
Table 8	First Best-sold Brand	139
Table 9	Second Best-sold Brand	140
Table 10	Third Best-sold Brand	141
Table 11	Percentage of Japanese Watch Sold	142
Table 12	Japanese Watches Sold and Shop Location	143
Table 13	Percentage of Swiss Watch Sold	144
Table 14	Swiss Watches Sold and Shop Location	145
Table 15	Recommendations to Customers If No Preference.	146
Table 16	Watches Easier to Sell and the Reason	147
Table 17	Product Advice for Swiss Watch	148
Table 18	Price Advice for Swiss Watch	149
Table 19	Promotion Advice for Swiss Watch	150
Table 20	Distribution Advice for Swiss Watch	151

Appendix 4 THE CUSTOMER SURVEY

Table 1	Sex of Respondents	152
Table 2	Nationality of Respondents	153
Table 3	Age of Respondents	154
Table 4	Marital Status of Respondents	155
Table 5	Occupation of Respondents	156
Table 6	Highest Education Level Completed by Respondents	157
Table 7	Personal Income of Respondnets	158
Table 8	Number of Watches Bought	159
Table 9	Brand of Most Recent Purchase	160

Table 10	Brand of Most Recent Purchase and Sex of Respondents	161
Table 11	Brand of Most Recent Purchase and Nationality of Respondents	162
Table 12	Brand of Most Recent Purchase and Age of Respondents	163
Table 13	Brand of Most Recent Purchase and Marital Status of Respondents	164
Table 14	Amount Paid for the Watch	165
Table 15	Years of Most Recent Purchase	166
Table 16	Brand of Most Recent Purchase	167
Table 17	Type of Most Recent Purcahse	168
Table 18	Brand and Type of Most Recent Purchase	169
Table 19	Reason for the Purchase	170
Table 20	Condition of the Purchase	171
Table 21	Brand and Condition of Most Recent Purchase	172
Table 22	Information Sources Sought	173
Table 23	Brand of Most Recent Purchase and Information Sources Sought	174
Table 24	Factor Matrix Using Principal Factor with Iterations	175
Table 25	Factor Score Coefficients of Factor Analysis	176
Table 26	Canonical Discriminant Function	177
Table 27	Classification Results of Discriminant Analysis	178
Table 28	Brand of Most Recent Purchase and Best Watch by Country	179
Table 29	Brand of Next Purchase and Sex of Respondents	180
Table 30	Brand of Next Purchase and Nationality of Respondnets	181
Table 31	Brand of Next Purchase and Age of Respondent	182

Table 32 Brand of Next Purchase and Marital Status of Respondents 183

Table 33 Brand of Next Purchase and Occupation of Respondents 184

Table 34 Brand of Next Purchase and Education of Respondents 185

Table 35 Brand of Next Purchase and Personal Income of Respondents 186

Table 36 Canonical Discriminant Functions 187

Table 37 Classification Results of Discriminant Analysis 188

Table 38 First Most Popular Brand 189

Table 39 Second Most Popular Brand 190

Table 40 Third Most Popular Brand 191

Table 41 Brand of Most Recent Purchase and First Most Popular Brand 192

Table 42 Brand of Most Recent Purchase and Second Most Popular Brand 193

Table 43 Brand of Most Recent Purchase and Third Most Popular Brand 194

Appendix 5 QUESTIONNAIRE

Question Guideline for Disguised Structured Personal Interviews with Retail Shop Salesmen 195

Question to be Answered by the Interviewer After the Interview 196

Question to be Answered by the Interviewer After the Last Interview 198

Questionnaire for Retailer Survey (English) 199

Questionnaire for Retailer Survey (Chinese) 205

Questionnaire for Customer Survey (English) 210

Questionnaire for Customer Survey (Chinese) 215

CHAPTER I

INTRODUCTION

Switzerland and Japan are major watch suppliers in the world's watch market. They are not only producing complete watches, but also movements, modules, and spare parts for watch assemblers in other countries or places like Hong Kong, Korea, Taiwan, etc.

Before 1970, Switzerland monopolized the world's watch market by supplying more than 70% of the world's total demand.[1] However, due to the rapid development of Japan watch manufacturing industries and Hong Kong's watch assembling industries in the 1970's, Switzerland's market share in the world's watch market dwindled to about 30% in early 1979 in the face of intense competition.[2]

In the Hong Kong watch market, Switzerland and Japan are also Hong Kong's major suppliers of both complete watches and watch parts. Ten years ago, Hong Kong's Swiss watch imports were about 50% more than those of Japanese. However, according to the Hong Kong trade statistics in 1978, Japanese watch imports amounted to $608 million Hong Kong dollars; whereas Swiss watch imports were only $594 million. In terms of number of watches, Japanese watch imports tripled Swiss watch imports in 1978 and this trend is still prevailing.

---

[1] "Swiss Leading Watch Manufacturers Enter Hong Kong's Watch Industry," (瑞士大錶廠正進行在港設廠或收購手續), Sing Tao Jih Pao, 28 April, 1979.

[2] Ibid.

By looking at the complete watch import figures of Hong Kong[1] (see Appendix 1, Table 2), several comments can be made. Firstly, the total values of Japanese watch and Swiss watch imports increased rapidly. Secondly, Japanese watch imports increased more rapidly than those of Swiss watches. Thirdly, when more detailed statistics were available after 1978, the total imports of LED watches dwindled, while quartz watch imports increased rapidly. Fourthly, in terms of quantity, Japanese watch imports are more than those of Swiss watches which, however, are still dominating in monetary terms.

The development of more sophisticated watch-making technologies and more entries of new watch manufacturers have intensified the competition in the watch market. Although some marketing variables are uncontrollable, a great many are controllable . Therefore, the overwhelming marketing success of Japanese watches in Hong Kong is not a mere coincidence, but a skillful manipulation of these controllable variables.

Objective of the Study

The study was undertaken to evaluate the marketing effectiveness of Japanese watches versus Swiss watches in the Hong Kong watch market in terms of customer, watch salesman, and watch retailer. The result of the study will facilitate the identification of the strengths and weaknesses of Swiss watches, and will form a preliminary basis for developing affective and competitive marketing strategies to boost the sales of Swiss watches.

---

[1] Hong Kong Commerce & Industry Department, Hong Kong Trade Statistics--Imports, Exports and Re-exports (Hong Kong: Government Printing Department, 1968-1980).

The information needed to be investigated can be classified into four categories as follows:

1. Watch market
   a. the market trend of Swiss and Japanese watches;
   b. the historical development of Japanese and Swiss watches in the 1970's;
   c. the local watch market mechanism.
2. Watch salesman
   a. the attitudes of the salesmen in handling customers with respect to enthusiasm, influence, and relevant information;
   b. the attitudes of the salesmen towards Japanese and Swiss watches;
   c. salesmen's recommendations to customers.
3. Watch retailer
   a. sales information of Japanese and Swiss watches;
   b. types of customers by district;
   c. customers' buying behaviour perceived by the retailers;
   d. recommendations to customers;
   e. retailers' perceptions about watch sole-agents' services;
   f. sales comparison between Japanese and Swiss watches in different market segments;
   g. retailers' recommendations for promoting Swiss watches.
4. Watch customer
   a. customers' watch buying experience and behaviour;
   b. brand preference and product usage;
   c. information sources used in buying watches;
   d. choice criteria in watch buying;
   e. attitudes towards Swiss and Japanese watches;

f. brand awareness of Japanese and Swiss watches;

g. images of some selected Swiss and Japanese brands perceived by customers.

Additionally, information about Hong Kong watch market and the salesmen's attitudes towards Hong Kong watches is also needed to provide some insights for further research pruposes.

Scope of the Study

This study is directed only at the watch retailers and customers in urban areas, because of the high population density and concentration of watch retailers in urban areas. Watch retailers under survey are limited to those independent watch retailers occupying more than half of the shop space. Therefore, those watch selling stalls in market places and those watch selling counters housed in department stores are excluded.

In studying customers, only those who have had watch buying experience and are aged above 15 are included. Those who have had no watch buying experience and are below 15 years of age are less important, because of their lack of such experience, and low buying intention. Therefore they are intentionally excluded from this study.

Structure of the Report

Altogether, the report consists of nine chapters. Chapter One outlines the objectives and scope of the study, and the information to be sought. Chapter Two describes the market developments of Japanese, Swiss and Hong Kong watches in the 1970's. The historical development will provide insights into the attributes for the success of Japanese watches. Chapter Three deals with the methodology used in the study, all the development and control

procedures employed, and the evaluation of the field work. Chapters Four to Six focus on the data analyses of field surveys which employ various analytical techniques to test the hypotheses developed. Chapter Seven summarizes the research findings of the surveys. Finally, Chapter Eight concludes with findings, and proposes some basic marketing strategies for promoting Swiss watches against Japanese watches in the local market.

CHAPTER II

GENERAL CONSIDERATIONS OF WATCH BUSINESS

Brief Review of the World's Watch Market

Before 1970, Switzerland was the leading watch manufacturer and exporter in the world's watch market, occupying over 70% of the world's watch market. However, during the 1970's, the world watch market experienced two major changes. Firstly, the introduction of electronic watches swiftly gained popularity. Secondly, the rapid growth of watch industries in Japan and Hong Kong reduced the export competitiveness of Swiss watches.

Electronic Watches

Electronic watches, the by-product of the aerospace technology of the U.S.A. in the late 1960's, had already gone through several product cycles in the 1970's. LED watches were the first to be introduced into the market. Because of their novelty, the demand for LED watches soared rapidly. Several American manufacturers, such as Texas Instruments, Fairchild, and Timex entered into intense competition. After a severe cut-throat price war between 1974 and 1975, only Texas Instruments survived, which was later followed by Seiko and Citizen of Japan.[1] Because of the inconvenience and high power consumption of LED watches, the demand for LED watches soon dropped rapidly. Later LCD watches, with the

---

[1] Kut Nai, "How Did Seiko Become the Leader in the World's Watch Market?" (精二蘇如何躍居世界錶壇首席), Economic Reporter, 21 June 1978, p. 8.

weaknesses of LED watches overcome, took LED watches' place and soon gained popularity. In the meantime, the technology of quartz watch, successfully developed by Japanese manufacturers, refined the quality of LCD watches which were originally run by CMOS integrated circuits. The quartz integrated circuit provides better watch accuracy and durability, and is used in higher priced watches.

The popularity of electronic watches is increasing, especially the quartz analog watch which replaces the spring-powered unit by the quartz integrated circuit. The total world production in 1979 was about 250 million pieces and the distribution of production between electronic watches and mechanical watches was approximately 30% and 70% respectively.[1]

The world production is forecasted to climb at around 10% a year; whereas the ratio of production between electronic watches and mechanical watches will change to 40% in favour of electronic watches in about two years' time.[2]

In the long-run, the world demand for electronic watches will grow and will reach a 50% market share; while the demand for mechanical watches will also increase, but at a slower pace, and its total market share will decrease to about 50% of the world's total demand in 1985. Among electronic watches, LED watches will be replaced by LCD watches, especially by LCD quartz watches. The demand for quartz analog watches will also grow, but at a slower speed than that of LCD quartz watches.

---

[1] Fung Kan, "The Direction for Hong Kong Electronic Watch Industry," (香港電子錶業合適發展的方向), Economic Reporter, 5 December 1979, p. 6.

[2] Ibid.

New Development of Watch Industry Centers

The new development of watch industries in Japan, Hong Kong, Taiwan, and South Korea is worth analysing, especially that of Japan and Hong Kong. Japan developed its watch industries well ahead of Hong Kong and was the second biggest watch exporter, following Switzerland, in the early 1970's.

After producing its first electronic watch in 1974, the Hong Kong watch industry grew rapidly. In 1979, its exports surpassed that of Switzerland and Japan, and became the biggest watch exporter in terms of quantity, followed by Switzerland and Japan, and the third largest in value after the Swiss and Japanese.

Although at present, Hong Kong's watch industries still rely heavily on the exports of Swiss and Japanese movement and module parts which are assembled in Hong Kong with locally-made accessories. In 1978, Switzerland sold one million movements per month to Hong Kong and a total of $201.5 million in parts for the whole year. Japan placed second with average sales of 560,000 movements per month.[1] However, Hong Kong's ability to produce its own modules and movements has been recognised by other countries such as Switzerland, Japan, France and Germany which have vested interests in the local watch industry via either joint ventures or technical assistance.

In view of Hong Kong's cheaper skilled labour, geographical and other advantages, it may well become the largest manufacturer and exporter of electronic timepieces and also a distribution or re-distribution centre, especially for Southeast Asia region.

---

[1] "Local Watches in the Lead," South China Morning Post, 3 April 1979.

Hong Kong Watch Market

In the local watch market, Japan is the largest watch supplier, followed by Switzerland which had been Hong Kong's largest watch supplier for more than 50 years. In 1979, Hong Kong imported approximately 959,750 electronic watches from Japan, taking 65% of the local market share.[1] However, Switzerland was still Hong Kong's biggest supplier of mechanical watches, especially those high priced items.

Product

There are more than 70 brands of watches available in Hong Kong. Among them, about 50 are advertised as Swiss made and only five are Japanese brands, and the rest are produced either locally or by other countries.

Seiko, Citizen, Orient, Casio, and Alba are Japanese brands, dominating the medium-priced market; while 51 Swiss brands are scattered in various priced market segments. There are more than 600 registered locally made watch brands, only a few of them are advertised in the local media.[2] Consequently, a lot of unfamiliar or not well known brands of Hong Kong watches are available in watch retail shops, especially relatively small ones. Among the advertised brands, Lambda and Natron are the most familar ones which have their own distribution outlets and service centers.

---

[1] Ibid.

[2] "Hong Kong Watch Industry Faces Shakeout as Small Concerns Slash Prices to Survive," Asian Wall Street Journal, 22 November 1979.

Movement of the Watch

According to the movement components of watches, watches can be divided into two big categories: electronic and mechanical watches.

Mechanical watches are powered by springs, either wound up automatically by flywheels or manually by watch users. Roskopf movement watches are those of the poorest quality, but Jewel-level movement watches are better in quality and more accurate. Additional features like scratch proof crystal, unbreakable main-spring, and calender are available in different combinations.

Swiss watches are well established in mechanical watch sector and are famous for their quality, craftsmanship and durability. Up to now, Swiss mechanical watches were available in all price ranges, and, in fact, were better accepted than Japanese mechanical watches, especially in the high-priced segment.

Electronic watches, either powered by dry cells or solar-energy batteries, can be further divided into the following categories:

1. tuning-fork watches,
2. LED watches,
3. LCD watches,
4. Quartz digital watches,
5. Quartz analogue watches,
6. Quartz digital & analogue watches.

The demand for tuning-fork and LED watches is declining, especially tuning-fork watches. Tuning fork watches are more accurate than ordinary mechanical watches, but less accurate than quartz watches. As a result of the break-through of quartz technology in watch production, tuning-fork watches were driven

out of the market. LED watches will, sooner or later, face the similar fate, because of higher power consumption as compared with new LCD watches. In the first 11 months of 1979, Hong Kong's import of LED watches increased 70% against the previous year; however it is still relatively small as compared with the demand of LCD watches. According the statistics of LED imports in the first 11 months of 1979, Japanese LED watches amounted to $820,642, 57% more than that of Swiss LED watches.[1]

In the LCD watch market, 482,678 units of Japanese brands were imported in the first 11 months of 1979, as compared with the 7,394 units of Swiss brands.[2] Therefore, Swiss LCD watches are hardly comparable with their Japanese counterparts, which are offered in cheaper prices, with more functions and more features, like solar energy battery and alarm device. Generally, Seiko, Citizen and Orient offer limited models of LCD watches, especially Orient. However, Casio, a new Japanese brand, is exclusively engaged in the LCD watch market, its cheaper prices and great variety of models helped capture a big market share within only 3 to 4 years in the electronic watch market.

In the quartz watch market, Japanese brands still dominate a bigger market share, as reflected by the import statistics of 1979. Seiko and Citizen offer a great variety of models in cheaper prices; whereas Swiss brands, like Omega, Tissot, Bulova offer only limited higher-priced models of quartz watches. At any rate, there is an upturn in the popularity of quartz analog watches in

---

[1] Hong Kong Commerce & Industry Department, Hong Kong Trade Statistics---Imports, (Hong Kong: Government Printing Department, November 1979).

[2] Ibid.

the market.

Brand and Style

Watches are no longer used to tell the time only, but also used to express the users' personality. Therefore, styling becomes increasingly important in the fashion-conscious watch market. Most watch brands try to promote the stylish or fashionable image, and seldom emphasize accuracy and durability only. Some of the advertisement descriptions of selected brands have been studied to interprete their advertised images (see Appendix 1, Table 7).

Generally, Swiss watches are advertised as stylish, Swiss-made, dressy, good-valued and an art more than ordinary timers. On the other hand, Japanese brands are advertised as fashionable and economical, and emphasize the great variety of models available for choice. Most Swiss watch advertisements try to emphasize brand images rather than product functions which usually are the main themes of Japanese watch advertisements.

Watch Pricing

In general, the price of the watches sold in Hong Kong ranges from as low as HK$30 to as high as $20,000 or more. Japanese watches are mostly priced from $50 to $700. The low-priced items are usually LCD watches; machanical watches are priced from at least $150 to about $500. Japanese quartz watches are usually priced from $250 to $700. In general the price depends on the style, feature, function and the design.

Most Japanese watches are priced around $300 which can be graded as within middle-lower price range. In other words, Japanese watches dominate the middle-lower price market, and are less

influential in the middle-price and lower price market and have not yet exploited the middle-high price ($701-$1000) and the high price market (over $1000).

On the other hand, Swiss watches are priced in a full range, but with full domination in the high-price and middle-high price market. For some mechanical watches, Swiss watches are priced even lower than Japanese mechanical watches; however most Swiss mechanical watches are around $400. For quartz watches, Swiss quartz watches are much more expensive than Japanese quartz watches, especially quartz analogue watches. Generally Swiss quartz watches are priced around $700 which is about 60% to 70% more than those of Japanese quartz watches.

For watches under $200, more Swiss watches are found. Most of them are of Roskopf type and are usually called 'student watches' in the local watch market. Most of these 'student watches' are assembled in Hong Kong with Swiss made components.

For those high-priced Swiss watches, some of them are cased in eighteen Carat (18K) gold or platinum, or decorated with diamonds, rubies or other precious stones. These expansive watches are not just watches, but are pieces of sculpture and are believed to last in value.

Advertising and Promotion

Japanese watches and Swiss watches are engaged heavily in promotional activities, especially advertising in the local mass media.

By analysing the advertising expenditures in 1978 and 1979 on media by various watch brands (see Appendix 1, Table 5 to 6), their advertising strategies can be compared. However, these figures

are expenditures on media, excluding those expenditures on other activities and outdoor advertising, such as billboards, handbills, neon-signs, etc. Yet, they are good source for evaluating the advertising affectiveness of various brands.

In 1978, Citizen was the number one in advertising expenditures, spending $2.99 million. Seiko followed closely by spending $2.51 million. Citizen and Seiko emphasized television and newspaper advertising, spending 42.33% and 47.63% on television respectively, and 49.03% and 33.07% on newspaper respectively. Magazine advertising was not heavily emphasized by Citizen and Seiko, and received only 6.55% and 17.82% of their total advertising expenditures. Radio and cinema advertising of Citizen and Seiko were minimal. Rolex, Omega and Rado followed Citizen and Seiko in advertising expenditures. They also emphasized both television and newspaper advertising, but in different proportions. Other brands' advertising expenditures were far below those of these leading brands.

In 1979, the advertising expenditures patterns changed a little, but the competition was more intense. This time, Seiko ranked number one, spending $6.42 million which was 154% more than during the previous year. Citizen followed Seiko closely, spending $4.85 million; however, their pattern of spending was similar to that of the previous year.

The third biggest advertising expenditure was $3.29 million spent by Bulova which increased 446% against the previous year. Titus followed Bolova by spending $3.09 million in 1979 with much emphasis on television advertising, a near-12-times increase in spending over the previous year. The rapid increase in advertising expenditures by Bolova and Titus indicates changes in promotion strategies. In fact, these two brands were extending into the

potential market in China, and were promoting their products in Hong Kong as ideal gifts for friends in China.

Although Rolex increased its spending form $1.9 million in 1978 to $2.31 million in 1979, it was only ranked after Titus. Besides the advertising expenditures on media, some of the Swiss brands in the high-price market, such as Rolex, Omega, Baume & Mercier, Cartier, Collin also advertised in tourist handbooks, pamphlets, and on billboards in tourist shopping areas.

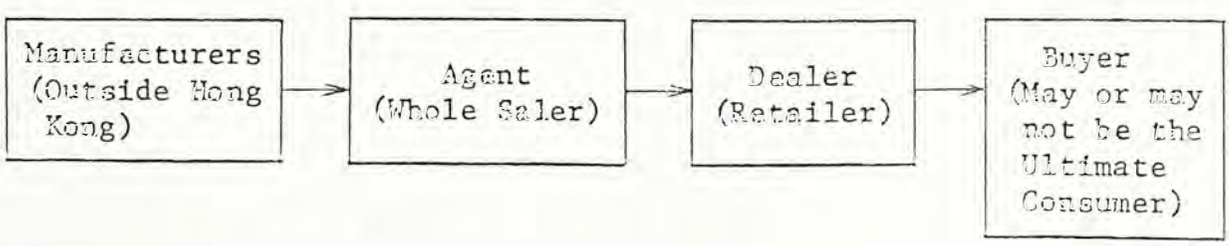
In general, most leading brands use more television and newspaper advertising which are also more expensive. Other brands try to avoid television advertising and emphasize more newspaper and magazine advertising. Some even use radio and cinema advertising. Non-price competition is expected to increase in the future as indicated by the figures of advertising expenditures; however, only advertising expenditure does not guarantee good advertising effectiveness. Only an integrated advertising strategy, with well-defined advertising objectives, well-selected media and predetermined target market, will result in better effectiveness.

Distribution

There are several distribution patterns for all the brands of watches marketed in Hong Kong. One pattern is necessarily slightly different from the other; however they are only variations of the basic pattern in Figure II-1.

FIGURE II-1

THE BASIC DISTRIBUTION PATTERN OF WATCHES IN HONG KONG

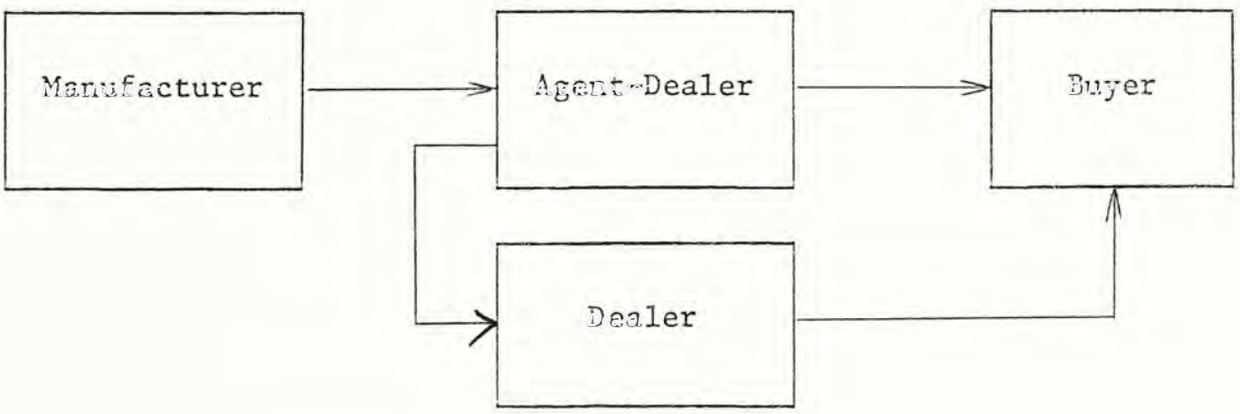


The above basic pattern is applicable to some brands which distribute their products to almost all dealers through their own sole-agents.

One variation of this basic pattern is shown in Figure II-2.

FIGURE II-2

A VARIATION OF THE BASIC PATTERN OF WATCH DISTRIBUTION IN HONG KONG



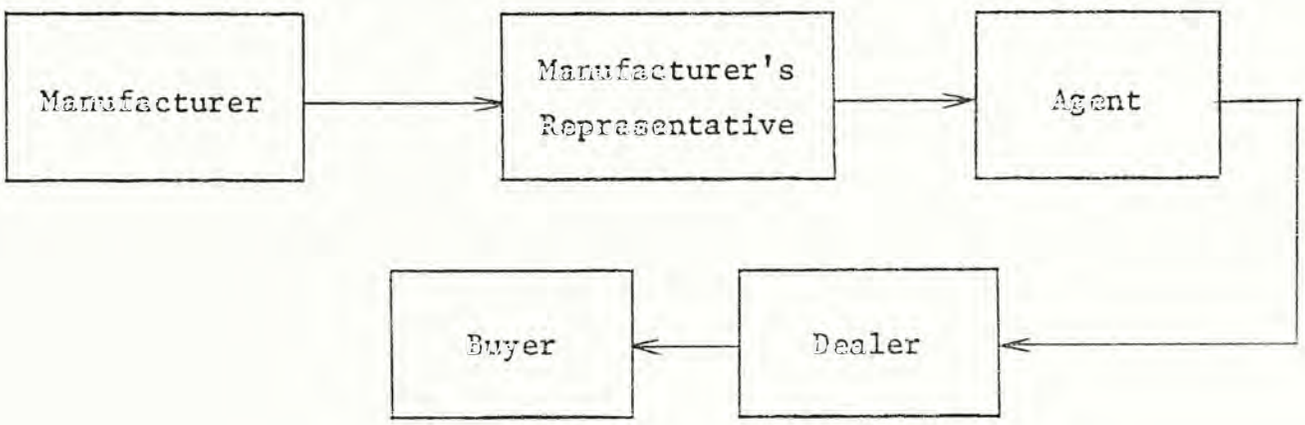
This variation is the result of either the backward integration of a dealer or the forward integration of an agent. Usually, some prestigious Swiss brands with low unit sales in Hong Kong use this pattern of distribution. Some of these agent-dealers are exclusive dealers who as specifically authorized to sell their products, other dealers can only order form them.

Another variation is to add a manufacturer's representative between the manufacture and the agent in the basic distribution pattern, as shown in Figure II-3.

Some internationally-oriented watch manufacturers set up their headquarters in Hong Kong acting as representatives to promote their products.

FIGURE II-3

A VARIATION OF THE BASIC PATTERN OF WATCH DISTRIBUTION IN HONG KONG



Illegal Activities in Watch Market

Hong Kong, because of its geographical and duty-free advantages, is an important international watch market. It is also the world's watch counterfeit centre, and a base for smuggling activities.

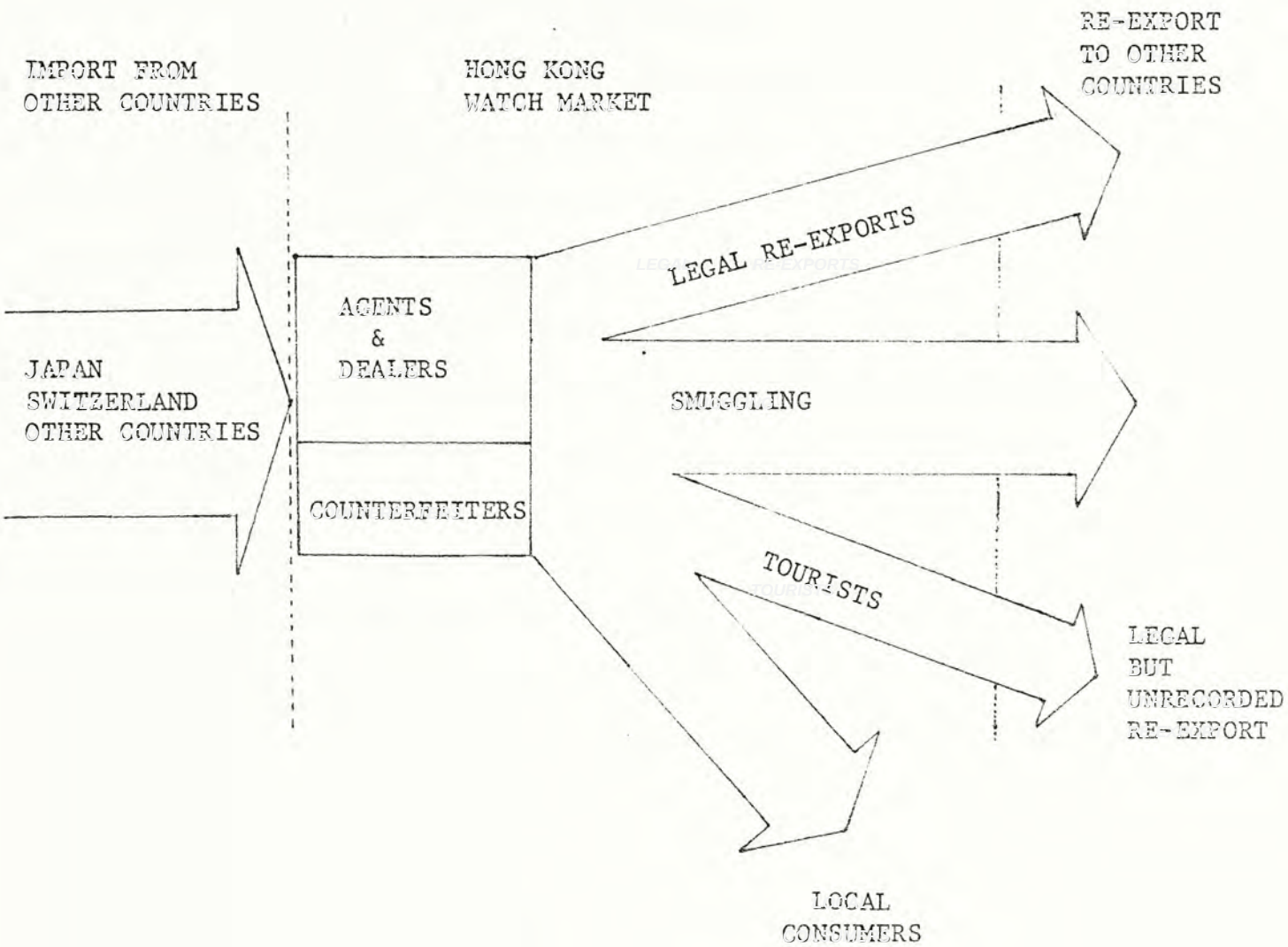
As an international watch market, watches are imported through various channels into Hong Kong. These imported watches are consumed locally, re-exported, exported through smuggling, or purchased by tourists as unrecorded re-exports. This import and export flow is depicted by Figure II-4.

Because Hong Kong is a duty-free port, it is reasonable to estimate that illegal imports of watches into Hong Kong are not serious because there is no need to circumvent tariff barriers. However, the illegal re-exports through smuggling pose serious problems to other Asian countries. It is impossible to estimate the total number of watches smuggled out of Hong Kong each year.

A considerable portion of the imported watches is re-exported through legal channels, the retained portion is either purchased by local customers and tourists or smuggled out of Hong Kong. It

FIGURE II-4

THE IMPORT AND EXPORT FLOW OF
WATCHES IN HONG KONG



is again difficult to estimate the total number of watches purchased by tourists and carried out of Hong Kong. Consequently, the local consumption estimation is not accurate at all.

Counterfeit watches or fake watches are also illegal trades in Hong Kong. Most of these counterfeit watches are produced locally, taking advantage of the good quality of locally made watch components. Watch manufacturers and their local agents are naturally hurt by counterfeiters, but the biggest loss is suffered by the end-user; besides, the image of the brand being copied may also be hurt. However, the Hong Kong government, Swiss and Japanese watch manufacturers are acting jointly to stamp out counterfeit activities in Hong Kong by paying rewards for information leading to the seizure or arrest for counterfeiters of watches. This illegal activity is now under control.

Geographical Distribution of Agents and Dealers

Watch sole-agents are concentrated in commercial districts, because their operations are essentially a type of import and export business. Most of the agents are located in the Central and the Tsim Sha Tsui district.

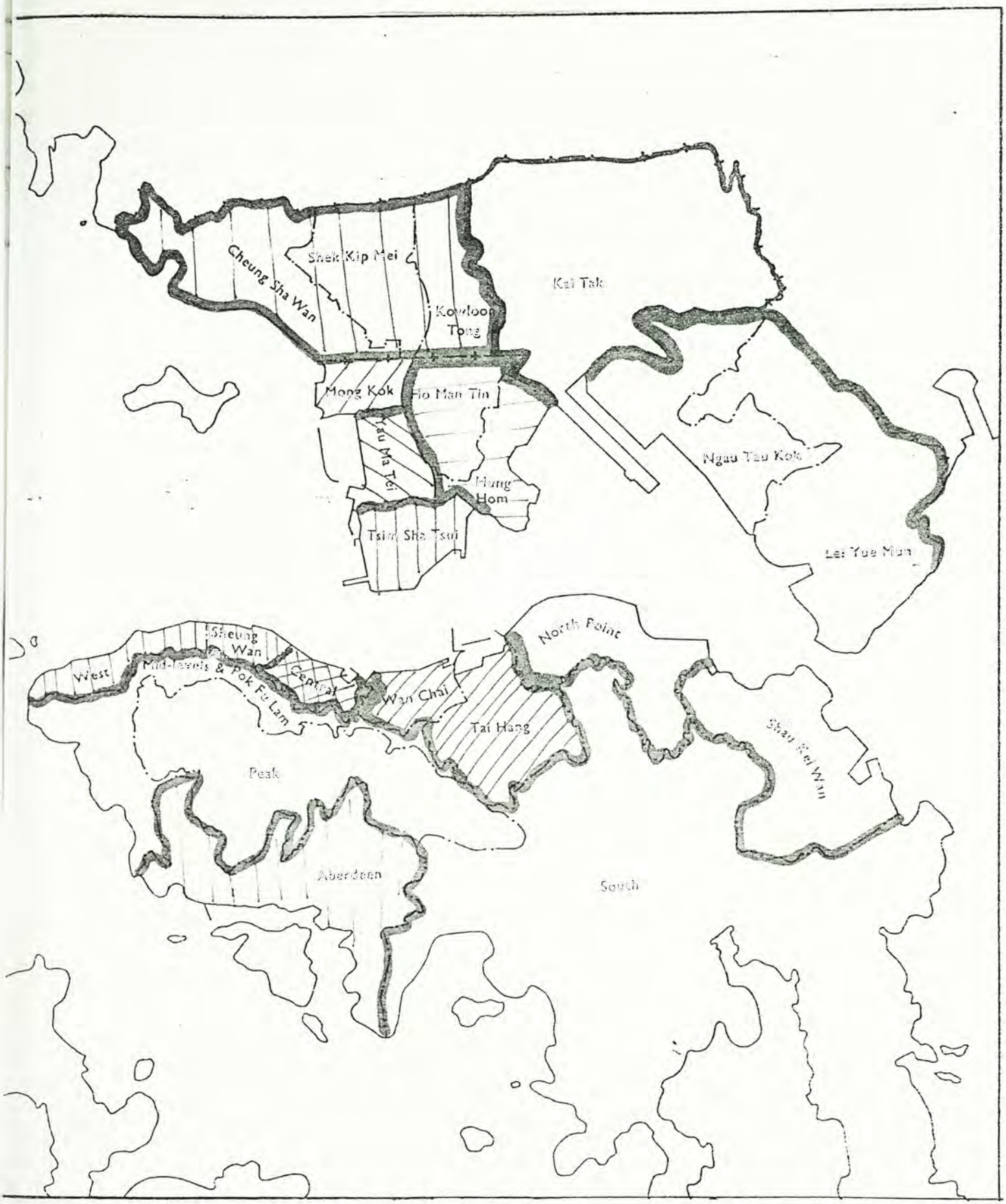
The total number of dealers in urban areas is 517,[1] and the distribution is depicted in Map II-1 (see P.19a). High concentration of watch dealers are found in tourist shopping districts like Tsim Sha Tsui and Central. The total number of watches purchased by tourists each year occupies a considerable portion of the imported watches, however it is difficult to made an accurate estimation.

---

[1] This is the number of watch dealers counted from the Yellow Pages of Hong Kong Telephone Directory 1980.

MAP II-1

URBAN DISTRICTS OF HONG KONG



Source: K.M.A. Barnett, Report of the 1966 By-Census, (Hong Kong Government Printer, 1968).

Swiss Watch Market

Swiss watch industries have been critically hit during the 1970's, so the early 1980's will be the time for Swiss watch industries to fight for their survival in the face of keen competition in the world's watch market. In fact, during the 1970's, Swiss watch industries have dwindled from supplying more than 70% of the world's total demand to less than 30%. The total number of people employed in Swiss watch industries dropped from 80,000 in 1974 to 50,000 in 1978, and is expected to drop down to 30,000 in 1980.[1]

The reaosns for the great decline in demand for Swiss watches in the world's watch market can be summarized as follows:

1. During the period of worldwide recession between 1973 and 1973, the total production of Swiss watches dropped by 15% and the downtrend was started without any indication of recapturing the historical records.
2. During the early 1970's, Switzerland gave up further development of the quartz technology. However, Japanese developed the quartz technology and applied it successfully in producing quartz watches at lower costs. Ever since, Japanese watches have established a firm position in quartz watch market.
3. Although Swiss developed the quartz watch technology later, the higher production costs and late entry made it difficult for Swiss watches to compete with their Japanese counterparts.
4. One of the reasons for the higher production costs of Swiss quartz watches may be attributed to the distributed production pattern of Swiss quartz watches. Under the distributed

---

[1] "Some Swiss Manufacturers Invest in Hong Kong Watch Industry," (瑞士錶廠來港投資生產), Sing Tao Jih Pao, 17 March 1979.

production method several factories produce components for assembly in another factory. Distributed production pattern is efficient for producing mechanical watches, but not for quartz watches.

5. Too many Swiss brands as scattered in various price markets, therefore promotional efforts are scattered accordingly.
6. The continual appreciation of the Swiss Franc has reduced the export competitiveness of Swiss watches in terms of demand and profit margins. The Swiss Franc has appreciated 114% against the US dollar from 1973 to 1979.[1]

The above-mentioned reasons for the decline of Swiss watch demand in the world's watch market may also be applicable to the Hong Kong watch market. However, the magnitude of these impacts on the demand for Swiss watches has to be investigated further.

Japanese Watch Market

Seiko and Citizen are the two prominant Japanese brands in the international watch market. The total sales of Japanese watches in the first 10 months of 1978 amounted to HK$3.758 billion, following the $5.737 billion sales of Swiss watches. In 1970, Japanese watches occupied less than 20% of the world's market demand.[2]

The rapid growth of Japanese watches is closely related to the development of quartz technology. In the early 1970's,

---

[1] "Swiss Leading Watch Manufacturers Enter Hong Kong's Watch Industry," (瑞士大廠正進行在港設廠裝配手錶), Sing Tao Jih Pao, 28 April 1979.

[2] "The Sales of Local Watches Become No.1 in the World," (港製手錶外銷躍居世界首位), Sing Tao Jih Pao, 5 February 1979.

Japanese took up the further development of the quartz technology, after Swiss watchmakers gave it up. After a few year's experience in producing quartz watches by using centralized production methods, Japanese were able to produce quartz watches at lower costs. Their first marketing strategy was to consolidate their national market, then expand overseas. Their first overseas market was the American market which was recognised as the best test market for watches, because of its strong buying power and great demand for watches.[1] In the American market, Japanese watches gained a considerable market share by lowering their selling prices. Their low profit margin approach, coupled with high advertising expenditures soon created a strong demand for Japanese watches in the U.S.A.

The basic marketing strategy of Seiko was to add more fashionable models one after the other which could stimulate customers' demand. Citizen followed Seiko's approach and entered the lower price segment in the American market.

In Hong Kong and some European countries such as Germany and France, Seiko and Citizen used the same marketing approach and won considerable market shares, which are still growing. For instance in Germany, Seiko increased its sales by 50% in 1976 and 1977, and 45% in 1978.[2]

The strengths of Japanese watches can be summarized as follows:

1. lower production costs as a result of centralized production;
2. emphasis on external designs and more fashionable models;
3. heavy investments in advertising expenditures;

---

[1] Kut Nai, "How Did Seiko Become the Leader in the World's Watch Market," (精工錶如何躍居世界錶壇首位), Economic Reporter, 21 June 1978, p. 8.

[2] Ibid.

4. lower prices for models similar to Swiss;

5. much cheaper quartz watches.

Hong Kong Watch Industry

After the World War II, the watch industry of Hong Kong began to develop. The early development was restricted to assembling components importing mainly from Switzerland and Japan. Until the late 1960's, some manufacturers were able to produce accessories, but movements were still imported from Switzerland and Japan. Later, only one or two manufacturers tried to produce their own lower-quality movements and expected to produce complete watches. The total value of complete watch export amounted to HK$400 million in 1975.[1]

Hong Kong electronic watch industry began to develop after its first electronic watch was produced in 1974. Mass production of electronic watches began in 1976, and in that year, the total value of watch exports doubled ($800 million) compared to the previous year. In the first 11 months of 1979, electronic watch exports amounted to $2,046 million, contributing about 64% to the total value of watch exports.[2]

Compared with Switzerland and Japan, Hong Kong ranked first in terms of quantity exported, and the third in dollar terms. However,most of the mechanical movements were imported from Switzerland and modules from Japan. In 1978, Hong Kong imported one million movements from Switzerland and 562,000 from Japan each month. In the late 1970's, due to the continual appreciation of

---

[1] Sai Kwong Chui, "Hong Kong Now Becomes the World's Second Largest Watch Exporting Country," (錶製品出口數量躍居世界第二位), Economic Reporter, 2 August 1978, p. 11.

[2] Hong Kong Commerce & Industry Department, Hong Kong Trade Statistics---Exports, (Hong Kong: Government Printing Department, November 1979.

the currencies of Japan and Switzerland, the profit margin of local watch manufacturers was driven down as a result of overseas price competition.

At any rate, because of quick returns and relatively small investments needed, more new entries were attracted. In 1979, the number of watch companies in Hong Kong jumped from 462 to 605 within only 6 months.[1] Among these companies, five were big concerns such as Lambda and Unik Time (employing more than 600 workers and producing at least 300,000 watches a month), 15 were medium-sized ones (employing about 300 workers and producing about 100,000 watches a month) and the rest were small companies.

Because of expensive rents, increasingly costly loans, skyrocketing wages, and shortages of skilled labour, and higher prices for imported raw materials, the profit margins of local watch companies dropped considerably. However, most of them can still maintain a 5% to 20% of profit margin.

At any rate, the average production costs of Hong Kong watches are still 25% less expensive than those of Japan, and local manufacturers' punctuality of delivery and improved product quality create good image for overseas buyers. However, better quality control and better after-sales services will be important for Hong Kong watches in the future. Closer cooperation among local watch industrialists to upgrade the training of watch technicians and to enhance product quality are called for.

Future Trend of Worldwide Watch Industries

In view of the growing population of the world, the total demand

---

[1] Vigor Fung, "Hong Kong Watch Industry Faces Shakeout as Small Concerns Slash Prices to Survive," The Asian Wall Street Journal, 22 November 1979.

of watches will grow at a rate of 8% to 10% each year.[1] In 1979, the total number of electronic watches demanded was about 30% of the world's 300 million pieces.[2] It is estimated that the share of electronic watches in the world's production will increase to 40% in 1980,[3] and a share of 50% to 65% of electronic watches is expected by 1985.[4]

To strengthen the international competiveness of the Swiss watch industry, in 1978 some Swiss watch manufacturers formed joint ventures with local Hong Kong watch companies to produce watches at lower costs. Semi-manufactured movements were imported from Switzerland and were assembled with locally-made accessories. Immediately, Japanese and American manufacturers followed suit and invested in the Hong Kong watch industry. In early 1979, there were 27 foreign companies with a total investments of HK$135 million. Among these 27 companies six were Swiss, six Japanese and four American companies.[5]

At any rate, investments by foreign manufacturers in Hong Kong tended to produce medium-priced items, while high-priced items were still produced in their own countries because of Hong Kong skilled workers' relatively poor craftsmanship.

---

[1] Fung Kan, "The Direction for Hong Kong's Electronic Watch Industry," (香港電子錶業今後努力的方向), Economic Reporter, 5 December 1979, p. 6.

[2] Ibid.

[3] Ibid.

[4] Wah Po, "The Local Market of Electronic Watches," (本銷市場的電子錶), Economic Reporter, 12 September 1978, p. 4.

[5] "Oversea Investments in Hong Kong Watch Industry Exceed HK$100 Million," (香港錶錶業外資逾一億), Sing Tao Jih Pao, 5 February 1979.

Switzerland is still first in watch workmanship and watch technology development, and now it is developing the more accurate Cesium Watch Technology which may be the technology for future watches.

CHAPTER III

METHODOLOGY

Research Design

The research design of this study consists of two main types: Exploratory Research and Descriptive Research.

An exploratory study was used first to increase the writer's familiarity with the trade, and gain insights and ideas for hypothesis development.

Another major type of research design used was essentially descriptive in nature with the main objective of testing the hypotheses developed after the exploratory study.

Three separate cross-sectional studies were designed to prob information for evaluating the marketing effectiveness of Japanese and Swiss watches from different viewpoints.

The first field survey was to estimate the attitudes of watch salesmen in handling customers and the salesmen's attitudes towards Swiss and Japanese watches. Four interviewers, two local Chinese and two American, acted as potential watch buyers and evaluated the attitudes of the salesmen through observation. Disguised structured questionnaires were used to note the genuine responses of the salesmen interviewed (see Appendix 5).

The second field survey was designed to investigate watch retailers' opinions about the services and assistances offered by Swiss and Japanese watch sole agents and retailers' recommendations for promoting Swiss watches. Undisguised structured questionnaires were used (see Appendix 5).

The third field survey was the watch customer survey which was intended to provide information concerning their watch buying behaviour, their attitudes towards Japanese and Swiss watches, brand awareness, and expectations. Again, undisguised structured questionnaires were used (see Appendix 5).

All the field surveys were conducted in the urban areas during the month of March. Details about the design, administration and control procedures of these three surveys will be discussed separately in the following sections.

Exploratory Study

The exploratory study was carried out in two stages.

In the first stage, literature surveys were done to review relevant trade literatures, and publications. Literature survey is the most economical way to discover hypotheses, so it was done right at the baginning.

In the second stage, experience surveys, consisting several unstructured and informal interviews with people related to the trade, were done. The main objective was to tap the reservior of knowledge and experience possessed by the people related to the trade. Two one-hour interviews with experienced watch salesmen, one serving in a prominent watch company in Mongkok and the other serving in a relatively small Chinese watch company in Northpoint, were conducted on January 2 and January 14 respectively. Basic concepts about the watch company's daily operations have been acquired through these interviews.

Two other informal interviews were also conducted in January, one with the manager of the Swiss Watch Industry Information Centre (Hong Kong), and the other one with the Director of General Affairs

of the Hong Kong and Kowloon Clock and Watch Trade Merchants Association. During these two informal interviews, historical developments of the local watch market and watch industry, and the marketing activities of both Japanese and Swiss watches were discussed.

Hypotheses to be Tested

After the exploratory study, a list of hypotheses were developed to guide the questionnaire design and are shown under three main categories as follows:

A. Salesman Interview

1. The Customer's buying intention is heavily influenced by the selling techniques of the salesman.
2. Japanese brands are recommended more frequently than Swiss watches by salesmen.
3. Japanese watches are perceived by salesmen to be better in style, and cheaper in price; whereas Swiss watches are better in quality and accuracy.
4. The watch brand recommended is positively related to the salesman's favourable attitudes towards watches of the same producing country.

B. Retailer Survey

1. Seiko and Citizen are recognised as the two best-sales brands.
2. Style and price are recognised as the most important two choice criteria in buying watches.
3. Japanese and local customers prefer Swiss watches, while American and European tourists like Japanese watches better.
4. Japanese brands are perceived by retailers as easier

to sell.

C. Customer Survey

1. Price is a dominant choice factor perceived by customers in buying watches.
2. Japanese watches are perceived by customers to be better in style, advertising and price; whereas Swiss watches are better in quality and durability.
3. Replacement and out of fashion are the first and second major reasons for buying watches.
4. Japanese quartz watches are sold better than Swiss quartz watches, while Swiss mechanical watches are sold better than their Japanese counterparts.
5. Television is the most frequently used source of information before buying watches.
6. Japanese brands have higher brand awareness.
7. Customers like to buy watches which they consider as popular brands.
8. There is a high tendency for customers to buy watches of the same producing country as their old watches.

Watch Salesman Interview

Design and Structure of Questionnaire

The questionnaire for the salesman interview was designed according to the information needed for hypothesis testing (see Appendix 5). Some questions about Hong Kong watches were added to serve as a preliminary study for further research. It should not be regarded as inconsistency. The questionnaire consists of ten questions, two of them are open-ended questions to include the interviewer's overall opinions of the salesman and the salesman's opinion about Hong Kong watches.

The first four questions are answerable in a five-point interval scale, ranging form strongly disagree to strongly agree. The answers for these four questions are the interviewer's evaluation of the salesman's selling techniques. Question 7 is composed of eight factors which are rated by the interviewer according to the salesman's attitudes.

Ten samples were pre-tested to ensure the smoothness of the wordings and consistency of the contents.

Sample Design

The sampling frame is the list of population elements from which the samples will be drawn. In this survey, all the urban watch retailers recorded in the most recent version of telephone directory were divided into twelve districts according to the method used by the Census and Statistics Department (see Map II-1 on Page 19a).

There are totally 517 watch retailers in these twelve districts, and a total of 100 random samples were picked according to the quota sampling method which ensures better random representation of the population as shown in Table III-1.

The designated number of retailers in a district was picked randomly from the retailer list by using the random number table. One salesman of each of these retailer samples was selected to be the interviewee by the interviewer randomly.

Data Collection

Four interviewers, comprising one Chinese man and one Chinese lady, one American businessman and one American secretary. The businessman is aged aroung 40, while the rest are aged around 25. They are observant and mature in personality. They went through a training session and fully understood the objectives and

TABLE III-1

SAMPLING DESIGN OF THE SALESMAN INTERVIEW

DISTRICT	NO. OF RETAILERS	NO. OF SAMPLES PICKED
Kowloon		
Tsim Sha Tsui	132	25
Yau Ma Tei	31	6
Cheung Sha Wan	29	6
Homantin & Hung Hum	22	4
Kai Tak	26	5
Ngautaukok & Kwun Tong	20	4
Mong Kok	51	10
	311	60
Hong Kong		
Central	77	15
West & Aberdeen	56	11
Wanchai & Tai Hung	45	9
North Point	18	3
Shau Kei Wan	10	2
	206	40

Source: Field work, March 1980.

administration procedures before data collection. An administrative guideline was given to each interviewer for controlling the interviews (see Appendix 5).

Interviewers were advised to dress casually, and to act as potnetial customers. Each interviewer undertook 25 interviews. Immediately after each interview, the interviewer filled out the questionnaire. When finishing the last interview, the interviewer wrote out an overall evaluation about the salesman.

After data collection, reviews with the interviewers were done to estimate the possible sources of errors.

Watch Retailer Survey

Design and Structure of Questionnaire

The questionnaire for the watch retailer survey comprises seventeen questions in five parts. The first part is about the retailer's sales conditions. The products, authorized dealers, brands of best-sales and average sales percentages are asked. The second part is about the retailer's customers. The percentages of various watch buyers, their choice criteria, preferences and the retailer's recommendations are included. The third part concerns the retailer's perceptions about watch sole-agents' services and assistances, and their own recommendations for promoting Swiss watches in Hong Kong. Part IV is the classification information section which includes the location of the shop, the number of salesmen employed and the major type of their customers. The last part is an open-ended question for specifying what kind of assistance the retailer wants, if assistance is needed.

Most questions are answerable in fixed alternatives, except those that require figures or opinions as answers.

Sample Design

The sampling frame was also taken from the watch retailer list in the telephone directory the same as that used in the salesman interview. The 517 watch retailers were classified into the same twelve districts. However, this time a total of 50 samples were picked. Quota sampling method was also used as shown in Table III-2.

The number of retailers designated to be picked from each district was picked by using the random number table. However it was a separate sampling design, therefore the retailers picked were not necessarily the same as those in the salesman interview. The interviewees were managers or responsible persons of those shops. Five samples were pretested, and the questionnaire has been revised to ensure its smoothness in wording.

Data Collection

Ten undergraduates of the Chinese University of Hong Kong participated in this survey. They were trained for two brief sessions to ensure their understanding about the objectives and procedures of questionnaire administration.

The ten administrators approached the retailers picked without pre-notification. Most of them were entertained immediately, except a few cases which required separate arrangements. The questionnaire was filled out by the interviewees with the administrator's assistance. Excellent responses from the retailers were reported.

After data collection, reviews with the administrators have been carried out to estimate the sources and directions of possible errors.

TABLE III-2

SAMPLING DESIGN OF THE RETAILER SURVEY

DISTRICT	NO. OF RETAILERS	NO. OF SAMPLES PICKED
Kowloon		
Tsim Sha Tsui	132	13
Yau Ma Tei	31	3
Cheung Sha Wan	29	3
Homantin & Hung Hom	22	2
Kai Tak	26	2
Ngautaukok & Kwun Tong	20	2
Mong Kok	51	5
	311	30
Hong Kong		
Central	77	8
West & Aberdeen	56	5
Wanchai & Tai Hang	45	4
North Point	18	2
Shau Kei Wan	10	1
	206	20

Source: Field work, March 1980.

Watch Customer Survey

Design and Structure of Questionnaire

The questionnaire for this survey was more complicated than the previous two. In total 21 questions categorized in 3 parts are asked in the questionnaire. The first part is the buying behaviour of the customers' most recent purchases. It was designed for understanding more about the "what, when, how, why" of their most recent purchases. Question 9 in part I was designed to understand the importance of some factors affecting the customers' choice of watches, and was answerable in five-point interval scales.

The second part is more specific in investigating the customers' opinions on Japanese and Swiss watches. Question 13 was designed to test the customers' brand awareness by unaided recall. Question 14 asks the customers to describe the images of some selected brands with which their advertised images will be compared.

Part III is the classification information section. The most sensitive question about personal monthly income was put at the end to avoid psychological withdrawals.

15 samples were pretested, and the questionnaire was revised twice before the final version was fixed.

Sample Design

The population was defined to be those people in the urban areas who are over 15 years old and have bought at least one watch in Hong Kong. Since such a sampling frame is not available, convenience samples were used in view of time and financial constraints. Further, it is difficult to ensure randomness in the sampling procedure. Undoubtedly, convenience samples are weak to represent the true population. However, attempts have been made to improve

the random effect. A total of 300 samples were picked. The proportional number of samples to be picked from each of the twelve urban districts was calculated according to the population figures of these districts. The most recent population figures are the estimates of the By-census 1976. The proportional number of samples of each of the twelve districts was then adjusted in light of the traffic and pedestrain flow in each of these districts (Table III-3).

The same ten undergraduates also participated in this survey. They went through similar training sessions and were assigned to the districts randomly. Each of them was responsible for administering 30 customer questionnaires. They did field surveys on different days and different times of the day. They were also given detailed city maps to ensure no overlapping of geographical areas.

In each of these districts, random samples were picked regardless of sex, age, nationality and other demographics. The questionnaires were filled out by the respondents picked with the administrators' assistance.

After data collection, reviews were also made and the administrators' own evaluation of the validity of the result were also recorded for error estimation.

Limitations of the Study

The limitations of this study are mainly inherent in the research design and sample design of the field surveys and interviews. Intentionally, watch retailers and watch customers in the New Territories are excluded from these surveys, therefore one should be careful in interpreting the results of these surveys. Over-generalization may cause distortion of the results.

In the salesman interview research, an indirect approach was

TABLE III-3

SAMPLING DESIGN OF THE CUSTOMER SURVEY

DISTRICT	NO. OF RESIDENTS[1] ('000)	NO. OF SAMPLES PICKED PROPOR.	ADJUSTED
Kowloon			
Tsim Sha Tsui	57.7	6	30
Yau Ma Tei	182.4	18	15
Cheung Sha Wan	477.1	46	30
Homantin & Hung Hom	349.1	34	30
Kai Tak	566.8	55	30
Ngautaukok & Kwun Tong	334.7	33	30
Mong Kok	160.2	16	15
	2128.0	208	180
Hong Kong			
Central	17.0	2	30
West & Aberdeen	343.4	33	30
Wanchai & Tai Hang	228.2	22	30
North Point	193.4	19	15
Shau Kei Wan	161.0	16	15
	943.0	92	120

Source: Field work, March 1980.

[1] Hong Kong Census & Statistics Department, Hong Kong By-census 1976, (Hong Kong: Government Printing Department, 1977).

used. That is, the attitudes and selling techniques of the salesmen were interpreted by the interviewers through observations, and then recorded by the interviewers. The validity of the data acquired by using this indirect method depends on the interviewers' observation and interpretation. Distortions and biases are difficult to control, even if the interviewers have been trained.

In the retailer survey, the interviewees are managers or responsible persons of the shops. However, their experience in the trade may affect the reliability of their answers. This source of bias is uncontrollable indeed.

The target respondents of the customer survey are those over 15 years of age and who have bought at least one watch in Hong Kong. Because such a sampling frame is not available, convenience samples were used. The main weakness of such convenience samples is that it is not truely random in nature. In other words, there is no way of ensuring that the samples picked are representative of the target population. Although subjective quota samples were picked from the twelve urban districts, there is again no way of ensuring that the proportion of the sample elements is the same as that of the elements in the true population. Further, the adjusted quota samples still rely on personal, subjective judgement rather than objective procedures of selecting sample elements.

In addition, these convenience samples focus on local watch buyers, therefore tourist watch buyers, who are also major watch buyers in Hong Kong, are not sufficiently represented in this study. Consequently, the buying behaviour and attitudes of tourist watch buyers cannot be reflected and compared with those of local watch buyers.

Estimation of Errors

The errors that might arise in the three surveys are of three basic types: sampling errors, nonsampling errors, and field errors.

Sampling Errors

Sampling errors are minimal in these studies. The sampling procedures of the ratialer survey and the salesman interview followed the random sampling method by using the random number table. Further, the samples sizes are large enough to give good representations of the populations.

Non-sampling Errors

Non-sampling errors are the most important errors that arise in the three surveys. Non-sampling errors can be further divided into non-coverage errors and non-response errors.

In the salesman interview, the non-coverage error is not serious at all. The sampling frame is taken from the watch retailer list in the yellow pages of the most recent version of telephone directory which would normally include all watch retailers unless they requested to be excluded. The percentage of watch retailers included was estimated to be over 98% by Hong Kong Telephone Company.

Another source of possible bias is the error due to non-response which represents a failure to obtain information from the interviewees. However, since questionnaires were filled out by the interviewers rather than the salesmen, the response rate was 100%. On the other hand, incomplete data may be a possible source of errors. Only a few missing values were found, so errors of this

type are not important at all.

In the retailer survey, the non-coverage error is again minimal. On the other hand, incompletion errors are evident, especially in sales figures of watches.

In the customer survey, non-coverage errors are obvious because of the weakness of the sampling design; however non-response errors are relatively low because of the effectiveness of personal interviews.

Field Errors

As to the field errors, the major source is the interviewers. The background characteristics of the interviewers may influence the response of the interviewees. However this type of error is minimal in the retailer survey and the salesman interview, because the ten undergraduate students participated in the field work shared similar background characteristics. However, errors in asking questions and in probing were uncontrollable, even though the interviewers had learned the rules and instructions of administration.

In the salesman interview, the age and clothing of the interviewers may affect the response of the salesmen, especially the watches recommended by the salesmen.

Language problem between the tourist interviewers and the salesmen was reported to be a serious problem which may affect the validity of the interviewers' observation and interpretation of the salesmen's attitudes.

Some of the questions in the retialer survey questionnaire were reported by the interviewers to be quite sensitive to the retailers who might have given some misleading answers, such as

the sales percentages of various type of watches.

In the customer survey, some respondents were reported to have some difficulties in understanding some of the questions, and cues and assistances had to be given by the interviewers. Consequently, arbitrary answers may have been recorded and thus affected the reliability of the study.

As a subjective evaluation of the three surveys, high external validity has been achieved, but internal validity was lower due to various extraneous variables.

CHAPTER IV

DATA ANALYSIS OF THE SALESMAN INTERVIEW

General Evaluation

As reported by the interviewers, some of the salesmen were not real selling professionals, because they did not demonstrate good selling techniques. In fact, this notion is supported by the low mean score (2.63) for buying intention rated by the interviewers.

The mean scores given to the selling techniques of the salesmen are around 3 which means the interviewers were not impressed very much by the salesmen's enthusiasm, influence, and relavant information given (see Appendix 2, Table 1 to 4). In general, these salesmen were perceived by the interviewers as rather inert, passive, and ineffective in selling customers.

For the watch brands recommended by the salesmen (see Appendix 2, Table 5), 46.4% of the recommendations are Japanese watches and 45.2% are Swiss watches. Among the Japanese watches recommended, 51% are Seiko and 41% are Citizen. However, no single Swiss brand is more than 10% of the total. In short, more Japanese watches are recommended (46.4%) than Swiss watches (45.2%), and Seiko and Citizen are recommended more often than any other brands.

Watches are physically demonstrated by the salesmen in 82% of the interviews. Product demonstration is rather common in buying watches.

As to the attitudes of the salesmen towards Japanese and Swiss watches in terms of various factors, the results are summarized

as follows:

TABLE IV-1

PERCENTAGE ON FACTORS PERCEIVED BY THE SALESMEN BETWEEN JAPANESE AND SWISS WATCHES

Factor	Swiss Better	Japanese Better	No Diff.
Price	10.2	56.1*	33.7
Quality	50.5*	22.7	26.8
Style	18.6	33.0	48.5*
Functions	21.4	28.6	50.0*
Accuracy	33.7	20.4	45.9*
After-sales service	21.4	9.2	69.4*
Reputation	56.1*	17.3	26.5
Durability	40.8*	22.4	36.7

* indicates the mode of the rating.

Source: Field work, March 1980.

In general, Japanese watches are perceived by the salesmen as better in price, while Swiss watches are better in quality, reputation and durability. However, Japanese and Swiss watches are indifferent in style, function and accuracy, and about 30% of the salesmen who regard both Japanese and Swiss watches as indifferent in every aspects.

The Relationship Between Salesmen's Selling Techniques and Interviewer Type

The data of salesmen's enthusiasm are interval in nature, while

that of interviewer type are nominal. They are found to be statistically independent, since the significance of calculated chi-square is 5.58%, greater than the 5% critical significance level. Eta value, a measure of association between interval and nominal data, is only 30.527% which indicates low degree of association between salesman's enthusiasm and different interviewers (see Appendix 2, Table 6).

The data of salesman's influence, relevant information and buying intention are also interval in nature. The degree of significance of chi-square between salesman's influences and interviewer type is 0.08% which indicates salesman's influence is statistically dependent on the interviewers. However, Eta value is only 34.638% which means the association is weak (see Appendix 2, Table 7).

In Table 8 of Appendix 2, the degree of significance between relevant information and interviewer type is 11.74% which indicates statistical independence between relevant information and the interviewers, and the Eta value is only 31.24%.

The degree of significance between buying intention and interviewer type is 0.32% which means statistical dependence and the Eta value is only 38.22% (see Appendix 2, Table 9).

In testing the relationship between the interviewers and their ratings on salesman's enthusiasm, salesman's influences on buying intention, weak correlations are found, though statistical dependence is found in two cases. In other words, the four interviewers are pretty consistent in rating the salesmen's selling techniques.

To further test whether the means of ratings on various factors for salesmen's selling techniques taken by the four interviewers are equal or not, ANOVA analyses are employed by taking

interviewer type as the independent variable.

The first group of ANOVA analysis tests were done for the four interviewers. The F values and their significance levels are summarized as follows:

TABLE IV-2

F-VALUES AND SIGNIFICANCE LEVELS
OF THE SALESMEN'S SELLING TECHNIQUES AMONG THE INTERVIEWERS

Dependent Variable	F - Values	Significance
Salesman's enthusiasm	3.289	0.024
Salesman's influence	4.363	0.006
Relevant information	3.461	0.019
Buying intention	5.475	0.002

Source: Field work, March 1980.

By taking a 5% significance level, all the means of each variable are unequal and the means of each variable among the four interviewers are statistically different.

However, the sources of the differences are not known yet. Therefore another two groups of ANOVA analyses were done for the sex difference of the interviewers and nationality of interviewers.

The results of the ANOVA analyses, taking nationality of the interviewers as the independent variable, are listed in Table IV-3.

If a 5% significance level is taken, all the means of each variable are equal and no significant differences are found

between local and tourist interviewers.

TABLE IV-3

F-VALUES AND SIGNIFICANCE LEVELS OF THE SALESMEN'S SELLING TECHNIQUES BETWEEN LOCAL AND TOURIST INTERVIEWERS

Dependent Variable	F - Values	Significance
Salesman's enthusiasm	2.075	0.153
Salesman's influence	0.267	0.606
Relevant information	0.504	0.479
Buying intention	0.007	0.935

Source: Field work, March 1980.

Another group of ANOVA analyses was done by taking the sex difference ofthe interviewers as the independent variable. The results are listed below:

TABLE IV-4

F-VALUE AND SIGNIFICANCE LEVELS OF THE SALESMEN'S SELLING TECHNIQUES BETWEEN MALE AND FEMALE INTERVIEWERS

Dependent Variable	F - Values	Significance
Salesman's enthusiasm	6.292	0.014
Salesman's influence	10.637	0.002
Relevant information	7.603	0.007
Buying intention	12.820	0.001

Source: Field work, March 1980.

By taking a 5% significance level as critical, all the means of each variable are unequal, i.e. the sex of the interviewer does make a difference in the ratings of the salesman.

In the Least Square Difference test to find out the sources of mean difference, the means between male tourist and local female or female tourist are found to be significantly different, but there are no significant differences between local male and any other types of interviewer.

In an attempt to interpret the meaning of all this data, the means for each variable are listed as follows:

TABLE IV-5

MEANS OF ANOVA ANALYSES RATED ON THE SALESMEN'S SELLING TECHNIQUES

Dependent Variable	Local Male	Local Female	Male Tourist	Female Tourist
Enthusiasm	3.20	3.52	2.60	3.44
Influence	2.44	2.84	2.00	3.04
Relevant info.	2.84	3.12	2.36	3.28
Buying intention	2.44	2.84	2.00	3.24

Source: Field work, March 1980.

The ratings given by the male tourist are exceptionally low for each variable, and the means of these ratings are therefore also relatively low. Therefore, the source of mean differences among the interviewers probably is the exceptionally low ratings given by the male tourist, not the real difference in the selling techniques of the salesmen in different districts.

The Relationship Between Demonstration and Interviewer Type

The relationship between interviewer type and the physical demonstration of watches is significant, since the degree of significance is 4.9%, taking a 5% significance level as critical; however, the strength of association is only 28% (Cramer's V = 0.28034), so it is very weak to predict whether a particular interviewer is likely to receive a physical demonstration from the sales person (see Appendix 2, Table 10).

The Relationship Between the Interviewer Type and Their Ratings for Salesmen's Attitudes

The relationships between interviewer type and their ratings on price, quality, style, functions, accuracy, after-sales service and reputation, taking one at a time, are found to be statistically dependent; however their strength of correlation is weak, ranging from 26.5% to 32.9%. Therefore we can interpret the relations are not strong enough for prediction pruposes.

The Relationship Between Shop Location and Where Hong Kong Watches Are Sold

Of all the shops where Hong Kong watches are sold in this study, 10 shops out of 29 are in Tsim Sha Tsui; or 10 shops out of 25 samples picked in Tsim Sha Tsui sold Hong Kong watches. Other areas such as Homantin, Shau Kei Wan were also found selling Hong Kong watches; however, the sample picked in those areas is not big enough to conclude if there is a higher concentration of shops selling Hong Kong watches or not (see Appendix 2, Table 11 to 12).

When Mong Kok, Tsim Sha Tsui and Central are considered as toruist shopping areas, the relationship between tourist or

non-tourist area and whether Hong Kong watches are sold is statistically independent, according to the significance of chi-square (37.8%). The result indicates that Hong Kong watches are sold regardless of whether the district is a tourist area or not (see Appendix 2, Table 13).

The Relationship Between the Watch Brand Recommended and the Attitudes of Salesmen

In an attempt to test the relationship between the watch brand recommended and the attitudes of the salesman towards Japanese and Swiss watches, a series of chi-square tests were performed.

The results are listed as follows:

TABLE IV-6

RELATIONSHIP BETWEEN THE WATCH BRAND RECOMMENDED AND THE ATTITUDES OF THE SALESMAN

Independent Variable	Significance of Chi-square
Price	0.0009
Quality	0.0000
Functions	0.0299
Style	0.0000
Accuracy	0.0001
After-sales service	0.0016
Reputation	0.0002
Durability	0.0000

Source: Field work, March 1980.

Since all the significances of chi-square are less than the 5% significance level, the relationships are dependent, and it may be concluded that salesmen recommend watches which are consistant with their belief that watches of the same producing country are better than others.

The Relationship Between the Interviewer's Buying Intention and Their Ratings on Selling Techniques

To test the relationship between the interviewers' buying intention and their ratings on salesmen's selling techniques, multiple linear regression analysis was employed. The F-value of the regression function is found to be 120.30514 which is tested against the F-value at the 5% significance level:

$$F^{1}_{95} = 4 < F_{cal} = 120.305 \quad \text{(see Appendix 2, Table 14)}$$

Therefore the regression function is significant with 78.99% of correlation. In other words, customers' buying intention is heavily affected by the salesmen's enthusiasm in selling, their influence and their relevant information given to customers, and the degree of association of customers' buying intention with these three factors is rather high (78.99%).

CHAPTER V

DATA ANALYSIS OF THE RETIALER SURVEY

Shop Location

A smaple of 50 retailers out of the total 517 watch retailers in the twelve urban districts were picked (see Appendix 3, Table 1). Tsim Sha Tsui, Mong Kok and Central districts are generally considered as tourist shopping areas. About 54% of the samples were picked in these areas; however, watch retailers in these areas are supposed to deal with both tourist and local customers.

Number of Salesmen

Over 64% of the retailers interviewed have 2 to 5 salesmen, and these retail shops are regarded as middle sized retailers (see Appendix 3, Table 2).

Major Customer

About 69% of the retailers claimed that local people were their major customers, while 31.3% said they dealt mainly with tourists (see Appendix 3, Table 3).

The relationship between major customer and shop location is found to be statistically dependent (significance of chi-square = 0.000). It is also found that tourists are the major customers of watch shops in tourist areas, but local people are major customers in non-tourist areas (see Appendix 3, Table 4).

Type of Watches Sold

As to the type of watches sold, 54% of the 50 retailers

visited sell Japanese, Swiss and Hong Kong watches, another 44% sell Japanese and Swiss watches and only 2% sell Swiss and Hong Kong watches (see Appendix 3, Table 5).

When urban areas are divided into either tourist or non-tourist areas, and tourist areas include Tsim Sha Tsui, Mong Kok, and Central, watch retailers selling Japanese and Swiss watches and those selling Japanese, Swiss and Hong Kong watches are found to be roughly distributed evenly between tourist and non-tourist areas (see Appendix 3, Table 6).

Authorized Dealer

Fifty-six percentage of the retailers visited are authorized retailers of one or more brands, the rest of them are ordinary watch retailers only. Authorized retailers are, usually, bigger watch companies which are more creditworthy and more stable in sales (see Appendix 3, Table 7).

Brands of Best Sales

Seiko was claimed to be the best-sold brand by 41.3% of the retailers, followed by Rolex which was suggested by 21.7% of them (see Appendix 3, Table 8).

Citizen was declared to be the second best-sold brand by 40.0% of the retailers, while no other brand was suggested by more than 10% (see Appendix 3, Table 9).

The third best-sold brand was not dominated by any single brand, but Seiko and Octo were named by about 15% of the retailers (see Appendix 3, Table 10).

In a further analysis to investigate the relationship between best-sold brands and shop location, Rolex was regarded as the

best-sold watch brand by 40% of those shops located in tourist areas, followed by Seiko (36.4%). In non-tourist areas, Seiko was suggested to be the best-sold brand (45.8%).

Citizen was declared to be the major second best-sold brand by retailers in both tourist and non-tourist areas. However, the third best-sold brand was not dominated by any single brand in both areas.

Percentage of Watches Sold

About 82% of the retailers said Japanese watches occupied under 80% of their sales by unit, while 34% of the retailers said Japanese watches occupied between 21% to 40%. This means Japanese watches contribute half of the sales of about 60% of the retailers, and are not important at all to only 22% of the retialers (see Appendix 3, Table 11).

In comparing the percentages of Japanese watches sold by shop location, more shops in tourist areas sold less Japanese watches (under 20%) than other watches they sold; while more shops sold more Japanese watches (21% to 40%) in non-tourist areas (see Appendix 3, Table 12).

About 78% of the retailers claimed that their sales of Swiss watches fell between 21% and 80% of their total sales. This means that the retailers regarded Swiss watches as their main products to sell, while only 16% of the retailers considered their sales of Japanese watches as not important at all (under 20%) (see Appendix 3, Table 13).

Surprisingly, over 33% of the shops in tourist or non-tourist areas claimed that their sales of Swiss watches contributed about 21% to 80% to their total sales. This means that the

sales of Swiss watches are not concentrated in either tourist or non-tourist areas (see Appendix 3, Table 14).

As to the sales of Hong Kong watches, 92% of the retailers claimed that Hong Kong watches occupied under 20% of their sales. This implies the unimportance of Hong Kong watches in the local watch market. Further, over 90% of the retailers in tourist or non-tourist areas said Hong Kong watches only occupied an unimportant share of their total sales (under 20%).

Percentage of Watches Sold to Customer

The percentages of Japanese and Swiss watches sold to either tourists or local people are summarized as follows:

TABLE V-1

PERCENTAGE OF RETAILERS WHO SOLD WATCHES TO CUSTOMERS

	Percentage of watches sold				
	0 - 20	21 - 40	41 - 60	61 - 80	81 - 100
Customer					
Swiss watch					
Local people	12.0	26.0	24.0	8.0	30.0*
Tourist	32.0	10.0	43.0*	18.0	6.0
Jap. watch					
Local people	10.0	14.0	22.0	24.0	30.0*
Tourist	44.0*	10.0	28.0	12.0	6.0

* indicates the mode.

Source: Field work, March 1980.

As to the sales of Swiss watches in local market, 30% of the retailers said 81% to 100% of their Swiss watches were sold to local people and 50% said only 21 to 60%. This may be due to the fact that some retailers mainly deals with local people, while a comparable number of retailers deal with both tourists and local people. About 32% of the retailers said under 20% of their Swiss watches were sold to tourists and 34% of the retailers said Swiss watches purchased by tourists occupied 41% to 60% of their sales.

With respect to Japanese watches, over 76% of the retailers said Japanese watches sold to local people occupied 41% to 100% of their sales. This indicates the fact that Japanese watches purchased by local people are the main target market of most local watch retailers. About 44% and 28% of the retailers said their Japanese watches sold to tourists occupied under 20% and between 41% to 60% of their total sales respectively.

Customers' Choice Criterion

The percentages of different factors suggested by retailers to be the choice criteria of their customers are summarized in Table V-2.

As to the customers' first choice criterion suggested by watch retailers, 50% of the retailers regarded style was the first choice criterion of customers, and 26% said price.

About the customers' second choice criterion, 42.9% of the retailers named price, while 38.8% named style. This indicates the importance of both style and price perceived by customers in buying watches; however, style seems to be more important than price as the first criterion.

TABLE V--2

PERCENTAGE OF CUSTOMERS' PREFERENCE FOR CHOICE CRITERIA

Factor	First criterion	Second criterion
Price	26.0	42.9
Style	50.0	38.8
Quality	6.0	8.2
Durability	4.0	4.1
Accuracy	0.0	6.1
Others	14.0	0.0
Total	100.0	100.0

Source: Field work, March 1980.

Customers' Preference

The different preferences of different types of customers suggested by the retailers are shown below:

TABLE V--3

PERCENTAGE OF CUSTOMERS' PREFERENCE

Customer	Swiss Watch	Japanese Watch	No Difference
Local people	45.8	20.8	33.3
Japanese	83.8	2.7	13.5
Other Asian	47.8	23.7	28.9
European & American	5.4	70.3	24.3

Source: Field work, March 1980.

As to local customers' preference, 45.8% of the retailers believed local customers preferred Swiss watches to Japanese watches, while only 20.8% said local people's preference was Japanese watches. In the retailers' opinion (over 83%), Japanese preferred Swiss watches to the watches of their own country. 47.4% of the retailers shared the opinion that other Asians like local customers, preferred Swiss watches. Besides, Japanese watches being preferred by European and American was claimed by over 70.3% of the retailers.

Recommendation to Indifferent Customer

If customers have no special preference in buying watches, 46% of the retailers said they would recommend watches according to the customers' taste by intuition, while 22% suggested that they would show a few models for the customers to choose. Fewer retailers would recommend a particular watch brand, either a Japanese or a Swiss brand (see Appendix 3, Table 15).

Further, the relationship between recommendation to customer and shop location is found to be statistically independent (significance of chi-square = 23.6%). It is justified to conclude that recommendations to customers who have no preference are not different whether in a tourist and a non-tourist area.

Sole-agents' Services to Retailers

The retailers' opinions on watch sole-agents' services are summarized in the following table:

TABLE V-4

RETAILERS' OPINIONS ON WATCH SOLE-AGENTS' SERVICES

Service	Swiss Watch	Japanese Watch	No Diff.	Others
Terms of payment	21.3	12.8	61.7	4.3
Total discount	12.8	14.9	66.0	6.4
Profit per watch	29.2	18.8	47.9	4.2
Frequency of salesrep's call	16.0	16.0	62.0	6.0
Efficiency of order delivery	2.0	18.4	73.5	6.1
Sole agent's assistance	18.4	34.7	46.9	0.0

Source: Field work, March 1980.

With respect to the services offered by watch sole-agents, over 40% of the retailers perceived no difference between Japanese and Swiss watch sole-agents in terms of payment, total discount, profit per watch, frequency of salesrep's call, efficiency of order delivery and sole agent's assistance. Despite these retailers, other retailers said Swiss watch sole-agents were better in terms of payment and profit per watch, while some said Japanese watch sole-agents were better in total discount, efficiency of delivery and sole agent's assistance.

Watch Easier to Sell and the Reason

About 47% of the retailers said Japanese watches were easier to sell, while 24.5% said Swiss watches and 26.5% were indifferent.

In classifying the watches as easier to sell in tourist and non-tourist areas, the relationship is found to be statistically

independent (significance of chi-square = 63.34%). In general, Japanese watches are easier to sell in both tourist and non-tourist areas.

Claiming Swiss or Japanese watches to be easier to sell, 30% of the retailers referred to good pricing and another 22.2% said good advertising as the reason. This indicates the importance of good pricing in motivating watch retailers to promote the product.

In breaking down the reasons for a watch being easier to sell into Swiss or Japanese watch categories, Japanese watches are easier to sell by retailers because of good pricing and good advertising. On the other hand, Swiss watches are easier to sell, mainly because they are good products and have more brands for customers to choose from (see Appendix 3, Table 16).

Sales Comparison of Japanese and Swiss Watches in Submarkets

Percentages of the retailers who differentiated which watch sold better, Japanese or Swiss, are listed according to submarket in Table V-5.

In Table V-5, overwhelming majority of retailers claimed that Swiss watches were sold better in the mechanical, high-price and middle-high price categories; whereas Japanese watches were sold better in the quartz category and in the lower to middle price range. However, these submarkets are not mutually exclusive in nature, so mechanical watches and quartz watches can be further divided into several submarkets.

By taking tourist and non-tourist areas as independent variables, the relationships between shop location and Japanese and Swiss watches according to submarkets are summarized in

TABLE V-5

RETAILERS' SALES COMPARISON OF JAPANESE AND SWISS WATCHES IN SUBMARKETS

Submarket	Better Sales	
	Swiss watch	Japanese watch
Mechanical watch	89.1*	10.9
Quartz watch	4.1	95.9*
High-price watch (above $1,000)	97.9*	2.1
Middle-high price ($701 - $1,000)	83.0*	17.0
Middle-price ($401 - $700)	30.4	69.6*
Middle-lower price ($200 - $400)	4.3	95.7*
Lower price (below $200)	4.3	95.7*

* indicates more retailers claimed the fact.

Source: Field work, March 1980.

Table V-6.

All the relationships are found to be statistically independent at a significance level of 5%, and all their correlations are low. This indicates that the relationships are weak in association, so Swiss watches demonstrated stronger sales performance in mechanical watches and middle and middle-high price markets regardless of the store areas, and so forth.

TABLE V-6

CORRELATION BETWEEN JAPANESE AND SWISS WATCH SALES IN SUBMARKET

Submarket	Sig. of chi-square	Correlation (PHI value)
Mechanical watch	1.0	0.069
Quartz watch	0.9485	0.15717
High-price watch	0.9485	0.1571
Middle-high watch	0.5569	0.1424
Middle price	0.2237	0.2268
Middle-lower price	1.0	0.0186
Lower price	1.0	0.0000

Source: Field work, March 1980.

Retailers' Recommendations for Swiss Watches

Retailers' recommendations for promoting Swiss watches in Hong Kong are analyzed under product, price, promotion, and distribution.

As to product, 45.8% of the retailers suggested that Swiss watches needed to be improved in design and style which are customers' important choice criteria.

About 62% of the retailers suggested a status-quo pricing strategy for Swiss watches, while 34% recommended a price reduction for Swiss watches to increase thier competitiveness in the market.

With respect to promotion, 66% of the retailers considered Swiss watch advertising was not enough and suggested more should be done.

Pertaining to distribution, 36.7% of the retailers suggested more commissions should be given to salesmen, while another 30.6 suggested more help from sole-agents (see Appendix 3, Table 17 to 20)

Assistance from Watch Sole-agents

About 34% of the retailers (17 retailers) demanded help from sole-agents, and 26% of these retailers (13) further specified what help they wanted.

Six retailers demanded sufficient stock supply of spare parts and popular models; 3 suggested to have more promotion activities in both mass media and watch shops; and another 3 requested the extension of maintenance period and more services for Swiss watch customers; and finally only one complained of the redundance of Swiss brands.

In testing the relationships of retailers' characteristics with whether they need sole-agents' help, statistical independences are found. The significances of chi-square and the correlations are shown in Table V-7.

Consequently, the characteristics of these retailers cannot be generalized by the number of salesmen employed in their shops, shop location and their major customers. However, more retailers who requested help employed 2 to 5 salesmen and were located in tourist areas like Tsim Sha Tsui and Central, but claimed that local people were their major customers.

TABLE V-7

CORRELATION BETWEEN RETAILERS' CHARACTERISTICS AND WHETHER SOLE-AGENTS' HELP IS NEEDED

Characteristic	Significance of χ^2	Correlation (PHI)
Number of salesmen	0.8040	0.2151
Shop location	0.2822	0.5132
Major customer	1.0000	0.0303

Source: Field work, March 1980.

CHAPTER VI

DATA ANALYSIS OF THE CUSTOMER SURVEY

Demographics of the Respondents

About 63% of the respondents are male, while the rest are female. This ratio of male to female is 1.724 and, obviously, the samples are concentrated more on male, according to the published local ratio (1.0857) in 1979. This may be explained by the fact that a larger portion of female population are housewives who usually work at home, therefore more male pedestrians may be found in the street. However, sampling procedure may be another source of the problem.

About 98% of the respondents are Chinese people, 03.% and 0.7% are Japanese and European respectively. This proportion roughly coincides with the pulbished figure (98% being Chinese) of Hong Kong's population.

The majority of the respondents were aged between 21 and 30 (58.7%), 19% aged under 20 (above 15) and 12.3% aged between 31 and 40. This distribution also roughly coincides with that of the true population.

As to the marital status of the respondents, 61.7% of them calimed to be single, while 38.3% are married.

With respect to the occupation classification, 25.7% claimed to be white collar employees, 17.3% professionals, 16.3% blue collar workers and 15.0% unemployed (housewife and student).

Concerning the highest education level completed by respondents,

61.5% have received secondary education, 13.4% post-secondary education and 14% university education. In general, the respondents are quite well educated, therefore better quality of answers to the questionnaire may have resulted.

Incomewise, 76% of the respondents earn below HK$3,000 a month, while the mean is between $2,000 and $3,000 (see Appendix 4, Table 1 to 7).

Buying Experience of Respondents

Number of Watches Bought

Among the 300 respondents interviewed, about 54% of them have bought three or more watches and 24.7% have bought two watches (see Appendix 4, Table 8).

Brand of Most Recent Purchase

Among the watches bought by respondents most recently, 16.4% are Citizen and 15.7% are Seiko, while no single Swiss brand is over 7% of the total number. This distribution indicates that a considerable Japanese watch market share is occupied by Seiko and Citizen, while Swiss watches are evenly distributed in the market without any relatively stronger brands comparable to Seiko and Citizen (see Appendix 4, Table 9).

Brand of Most Recent Purchase and the Demographics of Respondents

About 55% of male and 59% of female respondents purchased Swiss watches. Female customers have only slightly favourable preference towards Swiss watches (4% more). The source of this small difference may simply be random errors or female customers' preference for more elegant and stylish Swiss watches (see

Appendix 4, Table 10).

As to the nationality of respondents, more Chinese customers purchased Swiss watches than Japanese watches, and this fact is supported by the retailer's opinion on customers' preference in the Retailer Survey (see Appendix 4, Table 11).

The relationship between Japanese or Swiss watch buyers and age is independent, and the age structures of both Japanese and Swiss watches are very similar (see Appendix 4, Table 12). The marital status structures of Japanese and Swiss watch buyers are also similar in nature (see Appendix 4, Table 13).

In testing the significance difference between Japanese or Swiss watches purchased most recently and demographics of respondents, the results are summarized as follows:

TABLE VI-1

CHI-SQUARE TEST BETWEEN JAPANESE OR SWISS WATCHES PURCHASED AND RESPONDENTS' DEMOGRAPHICS

Demographic	Significance of Chi-square
Sex	0.7013
Nationality	0.4414
Age	0.7358
Marital status	0.8815
Occupation	0.4595
Person income	0.7453

Source: Field work, March 1980.

Since all the calculated chi-square probabilities are greater than the 5% significance level, the relationships between the brand of most recent purchase and customers' demographics are independent. In fact, the demographic structures of Swiss and Japanese watch buyers are very similar.

Amount Paid for the Brand of Most Recent Purchase

Most of the recent purchases (73.8%) bought were under $400 in value, and 39.6% were under $200. This indicates roughly the bigger market sizes of middle-lower price, and lower price watches (see Appendix 4, Table 14).

If the watches purchased are divided into Swiss and Japanese watches, 43.1% of Swiss watches are priced between $200 and $400, and 23.8% below $200 and 18.5% between $401 and $700, while 14.6% are above $701. On the other hand, 74.5% of Japanese watches purchased are priced under $400, 21.4% between $401 and $700, and only 4.1% above $1000. In general, Swiss watches scatter in a wider price range, while Japanese watches are heavily concentrated in middle to lower and lower price markets.

If Swiss and Japanese watches are further broken down by brand, more Seiko (42.2%) are bought within the $200 to $400 price range, and more Citizen (41.7%) are bought below $200. Over 80% of Rolex are above $1000, and more Omega watches (91.7%) are priced above $401. Other Swiss brands are heavily concentrated in middle-lower and middle price markets.

Years of Most Recent Purchase

About 68% of the most recent purchases were bought within 2 years,

and fewer watches were bought for more than 4 years (see Appendix 4, Table 15).

When watches are divided into either Swiss or Japanese watches, 80% of Japanese watches were purchased within 2 years; whereas 71.5% of Swiss watches were between 1 and 7 years (see Appendix 4, Table 16).

Type of Most Recent Purchase

About 70% of the purchases are mechanical watches, and 10.7% are quartz digital watches (see Appendix 4, Table 17).

In investigating the type of Swiss or Japanese watches bought, 90% of Swiss watches are mechanical watches; whereas 61.6% of Japanese watches are mechanical. Besides, 30.3% Japanese watches are quartz and only 7.7% of Swiss watches are of this type (see Appendix 4, Table 18).

Reason for the Purchase

The most distinct reason for these purchases is replacement of the old ones (39%), followed by the reason of 'out of fashion' (21.4%). Other reasons like 'gift for someone' and 'first watch' occupy only less than 15% of the total (see Appendix 4, Table 19).

When watches are divided into either Swiss or Japanese watches, 39.8% of Swiss and 41.4% of Japanese watches were bought for replacement and 18% and 23.2% respectively were bought because old ones were out of fashion. In addition, 14.1% of Japanese watches were bought as gifts for someone and 16.4% of Swiss watches for other reasons.

Condition of the Purchase

About 58% of the purchases were not planned, while 25.4% were claimed to be planned and limited to particular models (see

Appendix 4, Table 20).

If watches are divided into Swiss or Japanese watches, 57.4% of Swiss watches and 60.6% of Japanese watches were purchased without planning beforehand, and 24.8% and 22.2%, respectively, were planned and fixed. In general, whether the purchase is planned or not is not related to the type of watch being purchased (see Appendix 4, Table 21).

Information Sources Sought

Among the 300 most recent purchases, 43.8% of the buyers have sought information from watch retailers by looking of the show windows or by asking salesmen, 26% have asked friends for information before purchases (see Appendix 4, Table 22).

When watches are classified into Swiss or Japanese watches, 30.5% and 46% of Swiss watches were bought after acquiring information from friends and watch retail shops respectively; as compared to 15.5% and 43.4% for Japanese watches.

More purchases of Japanese watches (21.6%) than Swiss watches (11.3%) were bought after seeking information from television (see Appendix 4, Table 23).

Factors Considered in Buying Watches

Importance of the Factors

As to the importance of various factors considered by buyers in buying watches, the mean values of these factors are summarized in Table VI-2. These mean values are average values of scores given by respondents on a 5-point scale ranging from least important (1) to most important (5).

According to the customer survey people felt that accuracy, durability, quality are the most important factors in choosing

watches, while style, price and brand name are less important and precious metal/stone embedded is the least important one. However, accuracy, durability, and quality are unobservable at purchase, and can only be judged by past experience or relevant information. Therefore they do not directly affect the customer's buying decision. On the other hand, style and price are tangible in nature, so they become overt and important choosing factors in buying watches. According to retailers, style and price were the most influential factors for watch sales. Because Swiss watches are perceived to be better in accuracy, durability and quality but weaker in style and price, Swiss watch advertising should further stress these Swiss strengths.

TABLE VI-2

MEAN VALUES OF CHOOSING FACTORS

Factors affect choice	Mean value
Accuracy	4.457
Durability	4.050
Quality	4.223
Style	4.030
Price	3.573
Brand name	3.033
Producing country	2.970
Advertising	2.700
Salesman's recommendation	1.635
Precious metal/stone embedded	

Source: Field work, March 1980.

Underlying Factors of the

Choosing Criteria

It was suspected that several of these factors which affect buying decisions were interrelated. Therefore, factor analysis was employed in an attempt to statistically separate and then regroup these 10 factors into meaningful categories so as to examine the extent of interrelations among the factors.

Principal components analysis was used in this test to transform the original interrelated factors into a set of unrelated linear combinations of these factors. Then, orthorgonal rotation by varimax was employed. Orthorgonal rotation by varimax maximizes the column factor loadings in order to statistically identify correlations among factors. Thus it was used to facilitate the isolation and identification of the factors underlying the set of original variables.

The first factor loading matrix was obtained by using Principle component analysis with iterations and is shown in Table 24 of Appendix 4. All the variance of the variables can be explained by the factors, although the first three factors can explain 91% of the variance.

To facilitate the isolation and identification of the factors, orthogonal rotation of axes was employed. The factor loading matrix after rotation is shown in Table 25 of Appendix 4.

By classifying the high loadings into four groups, the meaning of the constructs in each of these groups can be interpreted subjectively. The interpretations are shown in Table VI-3.

In the order of the ability to explain the variance, Factor 1, comprising Accuracy, Durability and Quality is the set of Essential Elements of a watch, and therefore the most important choice

TABLE VI-3

INTERPRETATIONS OF THE FACTORS

Variable	Factor	Interpretation
Accuracy Quality Durability	Factor 1	The essential elements of a watch
Brand name Producing country	Factor 2	Image
Advertising Salesman's recom. Style Precious metal	Factor 3	Recognised values of a watch
Price	Factor 4	Economic considerations

criterion. Factor 2, Image, is incorporated in brand name and producing country. Factor 3 is the recognised value of a watch and may be the effect of promotion as well as the subjective judgement and preference. Factor 4, Economic Considerations, is in fact the cost of a watch.

In general, customers consider reliability of watches and images as more important than cost, therefore more advertising should be engaged in promoting the image of a watch and establishing a good product image.

Swiss or Japanese Watches and the Factors Considered in Buying Watches

In an attempt to test the relationship between Swiss or Japanese watches purchased and the factors considered in buying watches, a discriminant analysis was employed to classify Japanese and Swiss watches by only knowing the degree of importance of various choosing factors considered by customers in buying watches.

A discriminant function, which is a linear function depicting the relationships between the dependent variable (Swiss or Japanese watches) and the 10 independent variables, is formulated.

The results of this discriminant analysis are summarized as follows: (See also Appendix 4, Table 26)

Eigen value	0.07227
Canonical R^2	0.25961
WILK's Lambda	0.93260
Chi-square	15.28100
Significance of χ^2	0.12210

The eigen value and the canonical correlation denote the relative ability of the function to separate the groups, either Japanese or Swiss watches. Clearly these two values are very low indeed.

The WILK's lambda value indicates the discriminating power (the large lambda is, the less discriminating power is present). In this case, the WILK's lambda (0.932) shows weak discriminating power of this function. Further, the significance level of chi-square (12.21%) suggests the unimportance of the function.

From the classification results (Hit-and-Miss Table, see Appendix 4, Table 27), 93.8% of Swiss watch buyers are successfully predicted; whereas only 8.2% of Japanese watch buyers are correctly

classified. The overall percentage of success (56.64%) is not satisfactory at all. Therefore, it is too weak to predict whether a customer is a Swiss or Japanese watch buyer by only knowing the degree of importance of various choosing factors.

Choosing Factors of Swiss or Japanese Watch Buyers

Analyses of variance (ANOVA) were employed to test the possible difference between Swiss and Japanese watch buyers in the importance of choosing factors. The results are summarized in Table IV-4.

By taking a 5% significance level, significant differences are found in price and advertising between Japanese and Swiss watch buyers.

In general, Japanese watch buyers are more conscious of price and advertising in buying watches. Other factors like brand name, producing country, salesman's recommendations, accuracy, quality, style, durability and precious metal are indifferent to Japanese or Swiss watch buyers.

The choosing factors of Japanese and Swiss watch buyers in order of importance are summarized in Table VI-5.

Japanese watch buyers are more concerned about advertising than producing country, while Swiss watch buyers are more conscious of producing country.

Choosing Factors of Potential Swiss or Japanese Watch Buyers

Another group of ANOVA tests was performed to distinguish the importance of choosing factors between potential Swiss or Japanese watch buyers. Potential Swiss or Japanese watch buyers are those who prefer to buy Swiss or Japanese watches in their

TABLE VI-4

ANALYSIS OF VARIANCE OF CHOOSING FACTORS BETWEEN
SWISS AND JAPANESE WATCH BUYERS

Choosing factor	Mean Swiss Watch	Mean Japanese Watch	F - prob.	Remark
Price	3.3923*	3.7677	0.0210	Significant different
Brand name	3.3077	3.0101	0.0634	
Producing country	3.2000	2.9596	0.0977	
Advertising	2.6077	2.9596*	0.0483	Significant different
Salesman rec.	2.4077	2.5152	0.5416	
Accuracy	4.5308	4.4646	0.5440	
Quality	4.3154	4.2525	0.5875	
Style	4.0538	3.9596	0.4966	
Durability	4.1163	4.0505	0.6429	
Precious metal	1.7287	1.6061	0.3886	

* indicates significantly higher mean value.

Source: Field work, March 1980.

TABLE VI-5

CHOOSING FACTORS IN ORDER OF IMPORTANCE OF WATCH BUYERS

Swiss watch buyer		Japanese watch buyer	
Factor	Mean	Factor	Mean
Accurcy	4.5308	Accuracy	4.4646
Quality	4.3154	Quality	4.2525
Durability	4.1163	Durability	4.0505
Style	4.0538	Style	3.9596
Price	3.3923	Price	3.7677
Brand name	3.3077	Brand name	3.0101
Producing country*	3.2000	Advertising*	2.9596
Advertising*	2.6077	Producing country*	2.9184
Salesman's rec.	2.4077	Salesman's rec.	2.5152
Precious metal	1.7287	Precious metal	1.6061

Source: Field work, March 1980.

* indicates factors in reverse order between Swiss and Japanese watch buyers.

next purchase. The results of ANOVA analyses are summarized in Table VI-6.

Again, by taking a 5% significance level, salesman's recommendation and quality are found to be significantly different between potential Swiss and Japanese watch buyers. In other words, potential Japanese watch buyers are more conscious of salesman's recommendation, while potential Swiss watch buyers are more concerned about quality.

TABLE VI-6

ANALYSIS OF VARIANCE OF CHOOSING FACTORS BETWEEN POTENTIAL SWISS AND JAPANESE WATCH BUYERS

Choosing factor	Mean Swiss watch	Mean Japanese watch	F - prob.	Remark
Price	3.4660	3.6184	0.4318	
Brand name	3.3786	3.1184	0.1670	
Producing country	3.2352	2.9342	0.1393	
Advertising	2.6019	2.9605	0.0821	
Salesman rec.	2.2330	2.7368*	0.0123	Significant different
Accuracy	4.5146	4.4211	0.4543	
Quality	4.4078*	4.0789	0.0115	Significant different
Style	4.1359	4.0395	0.5268	
Durability	4.0098	3.9808	0.8911	
Precious metal	1.6602	1.6579	0.9952	

* indicates significantly higher mean value.

Source: Field work, March 1980.

The choosing factors of potential Japanese and Swiss watch buyers in order of importance are summarized in Table VI-7 as follows:

TABLE VI-7

CHOOSING FACTORS IN ORDER OF IMPORTANCE OF POTNETIAL WATCH BUYERS

Potential Swiss watch buyer		Potential Japanese watch buyer	
Factor	Mean	Factor	Mean
Accuracy	4.5146	Accuracy	4.4211
Quality	4.4078	Quality	4.0789
Style	4.1359	Style	4.0395
Durability	4.0098	Durability	3.9868
Price	3.4660	Price	3.6184
Brand name	3.3786	Brand name	3.1184
Producing country*	3.2353	Advertising*	2.9605
Advertising*	2.6019	Producing country*	2.9342
Salesman recom.	2.2330	Salesman's recom.	2.7368
Precious metal	1.6602	Precious metal	1.6579

* indicates factors in reverse order between the two groups.

Source: Field work, March 1980.

These factors are in the same order of importance as those used by Swiss or Japanese watch buyers. In general, all watch buyers are more concerned about the basic elements of watches, then the economic considerations and other factors, though Japanese

watch buyers are more conscious of advertising and Swiss watch buyers consider producing country as more important than advertising.

Personal Income Groups and the Importance of Choosing Factors

In an attempt to find out the patterns of choosing factors of different income groups, ANOVA analyses were used to test the significance difference of the relationships of personal income groups with each of the choosing factors. The results are summarized in Table VI-8.

TABLE IV-8

SIGNIFICANCE OF F - TESTS OF INCOME GROUPS

Choosing factors	F - prob.
Price	0.6098
Brand name	0.1026
Producing country	0.1077
Advertising	0.1216
Salesman's recom.	0.7397
Accuracy	0.7541
Quality	0.7050
Style	0.7684
Durability	0.5854
Precious metal	0.0442*

* indicates significant difference at the 5% significance level.

Source: Field work, March 1980.

No significant differences can be found in the means of these factors, except those of the last factor, precious metal/stone embedded.

In a further analysis of the source of difference in the last factor, the Least Square Difference technique was used. As a result, significant differences in means of precious metal were found between the highest income group (over $5000 a month) and the two lowest income groups (under $1000 and $1000 to $2000). The means of this factor rated by different income groups are shown in Table VI-9.

TABLE VI-9

MEAN SCORES OF PREVIOUS METAL BY INCOME GROUPS

Income group	Mean
Group 1 (under $1000)	1.7647
Group 2 ($1000 to $2000)	1.4234
Group 3 ($2001 to $3000)	1.5882
Group 4 ($3001 to $4000)	1.7647
Group 5 ($4001 to $5000)	1.8095
Group 6 (over $5000)	2.4000

Source: Field work, March 1980.

This indicates that the higher income group (over $5000) considers precious metal/stone embedded in watches as more important than other income groups, although this factor is the

least important choosing factor.

The means of these factors rated by the various income groups are shown in Table VI-10, and these factors in order of importance of various income groups are shown in Table IV-11.

In general, all income groups, except Group 5 ($4001 to $5000), have the same perceptions about the importance of choosing factors, although there are some minor changes in ranks of these factors. Group 5 with a monthly income between $4001 to $5000 has different pattern of ranking these factors. This group considers quality, brand name and producing country as more important, while price as less important.

Best Watches by Country

About 83% of the respondents considered Swiss watches as the best watches by country, while only 13.4% said Japanese watches.

The relationship between brand of most recent purchase and best watch by country is proved to be statistically dependent with a lower strength of association (35.42%). However, this may indicate the tendency that customers are more prone to buy Swiss or Japanese watches, if they believe Swiss or Japanese watches are best watches by country (see Appendix 4, Table 28).

Comparison of Japanese Watches with Swiss Watches

In comparing Japanese and Swiss watches on various factors rated by respondents on a 5-point scale ranging from least satisfactory (1) to most satisfactory (5), descriptions between 'least satisfactory' and 'most satisfactory' were intentionally excluded from the scales in the questionnaire, but are added in the analysis

TABLE VI-10

MEANS OF CHOOSING FACTORS BY INCOME GROUPS

Choosing factor	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
Price	3.3214	3.6486	3.6667	3.7059	3.4000	3.6364
Brand name	2.9286	2.8559	3.2353	3.1176	3.8000	3.3182
Producing country	2.7143	2.8455	3.2353	2.9118	3.7000	3.2273
Advertising	2.5536	2.4685	3.0392	2.7941	3.1000	2.9091
Salesman's recomm.	2.6071	2.4054	2.3922	2.6765	2.9000	2.5455
Accuracy	4.4464	4.5595	4.3529	4.4706	4.4000	4.3182
Quality	4.2679	4.1441	4.2352	4.1471	4.6000	4.2727
Style	4.0893	4.0272	4.0784	3.8824	3.6000	4.0000
Durability	4.1786	4.0811	3.9200	3.9706	4.2000	3.7273
Precious metal	1.7143	1.4234	1.5882	1.7647	2.4000	1.8095

Source: Field work, March 1980.

TABLE VI-11

CHOOSING FACTORS IN ORDER OF IMPORTANCE OF VARIOUS INCOME GROUPS

Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
Accuracy	Accuracy	Accuracy	Accuracy	Quality	Accuracy
Quality	Quality	Quality	Quality	Accuracy	Quality
Durability	Durability	Style	Durability	Durability	Style
Style	Style	Durability	Style	Brand name	Durability
Price	Price	Price	Price	Pro. country	Price
Brand name	Brand name	Brand name	Brand name	style	Brand name
Producing co.	Producing co.	Pro. country	Pro. country	Price	Pro. country
Salesman's rec.	Salesman's rec.	Advertising	Advertising	Advertising	Advertising
Advertising	Advertising	Sales'n rec.	Sales'n rec.	Sales'n rec.	Sales'n rec.
Precious metal	Precious metal	Precious metal	Precious metal	Pre. metal	Pre. metal

Source: Field work, March 1980.

for better interpretation. Therefore, the original ratings are interval in nature.

The difference in buyer satisfaction between Japanese and Swiss watches on various factors like price, quality, style, durability, variety of models and advertising are found to be significant; but the difference on after-sales service is not.

The means and significances of T-tests are shown in Table VI-12.

TABLE VI-12

COMPARISON BETWEEN SWISS AND JAPANESE WATCHES

Factor of comparison	Swiss	Japanese	Prob. of T-test
Price	2.949	3.742*	0.000
Quality	4.084*	3.134	0.000
Style	3.440	4.030*	0.000
Durability	4.114*	3.003	0.000
After-sales service	3.343	3.389	0.523
Variety of models	3.425	4.254*	0.000
Advertising	3.307	4.180*	0.000

* indicates significantly higher values.

Source: Field work, March 1980.

Swiss watches were rated higher in quality and durability, while Japanese watches were higher in price, style, variety of models and advertising. It may be concluded that Japanese watches

are recognised as better in price, style, variety of models and advertising, whereas Swiss watches are better in quality and durability.

Brand of Next Purchase

As to the brands of next purchases claimed by the respondents, 57.5% preferred Swiss watches and 42.5% preferred Japanese watches. In a further breakdown by brand, 37.3% preferred Seiko or Citizen (27.5% and 9.8% respectively) and 27% liked Rolex (16.2%) or Omega (10.8%), and 7.4% would buy Girard Perregaux. None of the other brands were claimed by more than 3% of the respondents (see Appendix 4, Table 29).

Brand of Next Purchase and Demographics of the Respondents

The relationships between the watches of next purchase, divided into either Swiss or Japanese watches, and the respondents' demographics are summarized in Table VI-13 (see also Appendix 4, Table 29 to 35). Chi-square tests were applied to test for significant differences.

Only the relationship between the brand of next purchase and sex is found to be significantly different, although the strength of association is weak (18.33%). However, 50.9% of male and 69.8% of female respondents preferred Swiss watches to Japanese watches in their next purchase.

Brand of Most Recent Purcahse and Brand of Next Purchase

The relationship between brand of most recent purchase and brand of next purchase is proved to be statistically dependent (sign.

TABLE VI-13

SIGNIFICANCE OF CHI-SQUARE TESTS BETWEEN SWISS OR JAPANESE WATCHES AND THE RESPONDENTS' DEMOGRAPHICS

Demographic	Sign. of χ^2	Remark
Sex	0.0217	Significantly different
Nationality	0.2472	
Age	0.8114	
Marital status	0.4667	
Occupation	0.7263	
Education	0.4920	
Personal income	0.4656	

Source: Field work, March 1980.

of chi-square = 2.25%); however, the correlation is only about 20%. About 67% of Swiss watch buyers would like to re-purchase Swiss watches next time, while only 53.7% of Japanese watch buyers would stick to Japanese watches. In general, Swiss watch buyers seem to be more reluctant to switch brands than Japanese watch buyers.

Swiss or Japanese Watches for Next Purchase and the Factors Considered in Buying Watches

A discriminant analysis was used to classify the watches to be purchased into either Swiss or Japanese by the degrees of significance of the factors considered in buying watches by respondents:

1. Price
2. Brand name

3. Producing country
4. Advertising
5. Salesman recommendation
6. Accuracy
7. Quality
8. Style
9. Durability
10. Precious metal

The results of the discriminant analysis are shown below: (see also Appendix 4, Table 36)

Eigen value	0.09968
Canonical R^2	0.30107
WILK's lambda	0.90935
Chi-square	16.15400
Significance	0.09530

The low eigen value and canonical correlation denote low predictive ability of the discriminant function, while the high significance of chi-square (9.53%) indicates statistical insignificance of the function.

In the 'Hit-and-Miss' table (see Appendix 4, Table 37), the weak ability to predict Japanese watch buyers (30.3%) and the relatively low percentage of 'grouped' cases correctly classified (63.84%) further indicates the insignificance of the discriminant function.

In short, Swiss or Japanese watch buyers cannot be predicted by the factors considered in buying watches.

Most Popular Brand

The "most popular brand" recognised by 39.0% of the respondents is Seiko, followed by Rolex (20.2%) and Citizen (19.5%). Citizen

was declared to be the "second most popular brand" by 25.7% of the respondents, followed by Seiko (22.6%) and Omega (17.4%). The third most popular brand was supposed to be Seiko (17.3%) and Omega (13.5%).

Therefore, it may be concluded, in general, that Seiko and Citizen are the most easily called-to-mind Japanese brands, whereas Rolex and Omega are the Swiss brands which have higher advertising awareness. These four brands have higher brand awareness which, in fact, is highly correlated with the advertising expenditures used to promote these brands (see Appendix 4, Table 38 to 40).

In relating the brand of most recent purchase and the most popular brands, the relationships of brand of most recent purchase with the first and second most popular brands are found to be statistically dependent, and the relationship with the third most popular brand is statistically independent.

Half of Swiss watch buyers and 70.5% of Japanese watch buyers considered Swiss and Japanese watches respectively as the most popular brands. This may indicate that customers bought Japanese watches, because they believed Japanese brands were popular. This belief might be affected by more advertising and promotional activities (see Appendix 4, Table 41 to 43).

Images of Various Brands

The perceptions of the images of some selected Japanese and Swiss brands by the respondents are summarized in Table VI-14.

Rolex was strongly recognised as a luxurious watch and a less practical watch.

An image of a combination of luxury, elegance and style was given to Omega, while Girard Perregaux has an image made up of

TABLE VI-14

IMAGES PROFILES OF SOME SELECTED JAPANESE AND SWISS BRANDS

Image	(Percentage of respondents' opinion on the selected brands)					
	Rolex	Omega	Rado	Girard Perregaux	Seiko	Citizen
Economical	1.0	1.4	20.8*	0.3	24.4*	48.1*
Practical	20.0*	13.5	51.9*	1.0	48.5*	31.0*
Stylish	2.4	24.3*	8.8	11.9	22.0	16.2
Elegant	9.1	27.4*	3.9	57.3*	1.0	0.3
Luxurious	63.0*	29.1*	0.0	24.7*	0.7	0.7
Others	4.4	4.4	14.5	4.7	3.4	3.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

* indicates important elements of brand images.

Source: Field work, March 1980.

elegance and luxury.

Rado, Seiko and Citizen were regarded as economical and practical, but in different proportions. Seiko and Rado are being received with a more practical image, and Citizen with a more economical image.

In general, the images of these selected brands recognised by the respondents are consistant with their advertised images (see Appendix 1, Table 7).

CHAPTER VII

SUMMARY OF THE FIELD SURVEYS

Summary of Findings of the Salesman Interview

1. All the salesmen interviewed were considered as not very enthusiastic in selling watches by the interviewers. Besides, the salesmen were not keen on influencing customers' buying decision. The salesmen did not give customers enough relevant information. Therefore, the customers' buying intention was not strong. In general, customers' buying intention was strongly influenced by the salesman's enthusiasm, influence, and the relevant information given (correlation = 78.99%).
2. Japanese brands were recommended more frequently than Swiss watches (46.4% to 45.2%). About 46% of the total recommendations were Japanese brands, of which 51% and 41% were Seiko and Citizen respectively. Octo (8.3% of the total) and Omega (7.1%) were the Swiss brands recommended more frequently.
3. Watches are likely to be demonstrated in buying process (82%).
4. Japanese watches are cheaper in price, better in style and functions in the eye of the salesman; whereas Swiss watches are better in quality, accuracy, after-sales service, reputation and durability. However, about 30% of the salesmen regard Japanese and Swiss watches as equals in every aspect.
5. 29% of the retailers surveyed sold Hong Kong watches.
6. The associations between interviewers and their ratings for salesman's enthusiasm, influence, relevant information and

buying intention are weak (average 33%), although statistically present.

7. The relationships between interviewers and their ratings for the salesmen's attitudes towards Japanese and Swiss watches' price, quality, style, accuracy, after-sales services, reputation, durability are all statistically dependent; however, again, the average strength of correlation is only 34% with 57% as the highest.
8. More Hong Kong watches are sold in Tsim Sha Tsui, Mong Kok, and central; however the small samples picked in each area makes generalization invalid.
9. In analyzing the means of the interviewers' ratings for the salesmen's enthusiasm, influence, relevant information and the interviewers' own buying intention, difference in the means was found among the four interviewers, particularly between male and female interviewers. The reason for the difference in the means is suspected to be the exceptionally low ratings given by the male tourist interviewer, but not due to the real different perceptions of male and female.
10. The relationship between the watch brand recommended and the salesman's attitudes towards Japanese and Swiss watches is statistically significant; the brands recommended by salesmen are consistent with their belief that watches of that producing country are in fact better.

Summary of Findings of the Retailer Survey

1. More shops sell Japanese and Swiss watches (44%), or Japanese, Swiss and Hong Kong watches (54%); though over 90% of the retailers said the sales of Hong Kong watches occupied only under 20% of their total sales by unit.
2. About half of the retailers were authorized dealers of one or more brands.
3. Seiko was claimed to be the best-sold brand, especially in non-tourist areas, while more retailers suggested Rolex in tourist areas. Citizen was supposed to be the second best-sold brand in other areas. The third best-sold brand category was not dominated by any single brand.
4. More retailers (82%) sold Japanese watches which occupied under 60% of their total sales, while 78% sold Swiss watches which contributed between 21% to 80% of their total sales.
5. More retailers (32%) sold Swiss watches from 80% to 100% of their sales to local people, while 26% of the retailers sold from 21% to 40% of their sales to local people. A great majority of retailers (76%) sold Japanese watches to local people from 41% to 100% of their total sales. In the tourist market, the majority of retailers sold Swiss and Japanese watches in two concentrations: under 20% and between 41% to 60% of their total sales.
6. Style and price were perceived by the retailers to be their customers' first and second choice criterion respectively.
7. Local, Japanese, and other Asian customers preferred Swiss watches most, while European and American customers liked Japanese watches better.

8. If customers had no preference in buying watches, more retailers recommended watches according to their own subjective opinion of what the customer might like (46%), and showed them a few models to choose (22%).
9. About 50% of the retailers perceived no difference between Swiss and Japanese watches in terms of payment, total discount, profit per watch, frequency of salesrep's call, efficiency of delivery, and sole agent's assistance.
10. Japanese watches were claimed to be easier to sell by 46.9% of the retailers and Swiss watches by 24.5%. The reasons for Japanese watches being easier to sell were good pricing and good advertising, and those for Swiss watches were good product and more brands to choose from.
11. Swiss watches sold better in the mechanical watches category, high-price and middle-high price markets; whereas Japanese watches sold better in quartz watches and in the middle to lower price markets.
12. To promote the sales of Swiss watches, retailers recommended better design, more advertising, and more commissions to salesmen.
13. Over 64% of the retailers interviewed have 2 to 5 salesmen and serve local people more. About 64% of them are located in tourist areas which include Tsim Sha Tsui, Mong Kok, and Central.
14. About one-third of the retailers requested help from watch sole-agents. However, the characteristics of these retailers cannot be generalized. Generally, they requested more promotion, sufficient supply of spare parts and popular models, better maintenance service and attractive gift boxes for

customers.

15. The sales of either Swiss or Japanese watches, and watches of other brands were not statistically different in tourist and non-toruist areas. The relationships between percentages of watches sold and shop location were found to be statistically independent. The relationships of "recommendations to customers", and "watches easier to sell" with "shop location" were proved to be independent too. However, shop location was found to be statistically dependent with various watch markets, such as mechanical, quartz, high price, low price markets, and customer type.

Summary of Findings of the Customer Survey

1. About 63% of the respondents were male and 98.7% were Chinese, more than half were aged between 21 to 30, and 61.7% were single. As to occupation classification, white collar workers occupy 25.7%, followed by perofessionals (17.3%) and blue collar workers (16.3%). About 61% of the respondents had received more than secondary school education and 76% of the respondents earned more than $3000 a month.
2. About 54% of the 300 respondents have bought three or more watches and 24.7% have bought two.
3. About 33% of the most recent watch purchases were Japanese brands, and 15.7% and 16.4% were Seiko and Citizen respectively. Although 66.2% of all these purchases were Swiss brands,none of them occupies more than 7%.
4. The relationships of "brand of most recent purchase" with the demographics of Swiss or Japanese watch buyers were independent in nature.
5. About 73% of the purchases were under HK$400 and 39.6% under $200. In general Swiss watches were scattered in a wider price range, whereas Japanese brands are heavily concentrated in middle-lower and middle price markets.
6. About 67% of the most recent purchases were bought within 2 years, among these 67.7% more Japanese watches are found.
7. About 69% of these purchases were mechanical watches, while only 28.7% were quartz watches. More mechanical watches were Swiss brands, but more quartz watches were Japanese brands.
8. The major reason for these purchases was replacement (39.0%), and 'out of fashion' was another major reason (21.4%). More

Japanese watches were bought for "out of fashion" (23.2%) than Swiss watches (18%).

9. About 58% of these purchases were not planned beforehand, while 25.4% were planned and fixed with particular models. More Japanese watches (60.6%) were bought without planning than Swiss watches (57.4%). On the other hand, more Swiss watches were purchased with fixed plans.

10. Watch retail shops were the most frequently used sources of information sought by potential customers (43.8%), followed by 'friends' as another major source (26%). Additionally, more Swiss watch buyers sought information from friends (30.6%) than Japanese watch buyers (15.5%), but Japanese watch buyers used television (31.6%) more than Swiss watch buyers (11.3%).

11. Accuracy, durability, quality, style and price (in order of importance) were important factors affecting buying decision, followed by brand name, producing country and advertising. Salesman's recommendation and pracious metal/stone embedded were the least important factors.

12. The underlying factors of buying watches, in order of importance, were the essential elements of a watch, image, recognised value and economic considerations.

13. Ability to predict whether a customer is a Swiss or Japanese watch buyer by knowing his opinion about the importance of the choosing factors from this survey is weak.

14. There were no major differences between Japanese and Swiss watch buyers in choosing factors; however, Japanese watch buyers were more influenced by or aware of advertising, while Swiss watch buyers were more conscious of producing country.

15. There were no major differences among income groups in choosing factors except in precious metal which was considered as more important by the higher income group (over $5000).
16. About 83% of the respondents considered Swiss watches as the best watches by country, while only 13.4% said Japanese watches were better. Customers were consistant in buying the brand which they believe to be the best.
17. Swiss watches were claimed to be better in quality, durability, while Japanese watches were better in price, style, variety of models and advertising. Only after-sales service was found to be insignificantly different between Japanese and Swiss watches.
18. About 37% of next purchases preferred by the respondents were Seiko and Citizen (27.5% and 9.8% respectively), and 27% were Swiss watches which was not dominated by any single brand.
19. The watches of next purchase, either Japanese or Swiss, were not related to the demographics of respondents except to sex. more female respondents preferred Swiss watches (69.8%) than male (50.9%).
20. Rather low brand loyality was found for both Swiss and Japanese watches, although 53.7% of Japanese watch buyers and 66.7% of Swiss watch buyers would like to re-purchase the brands of the same producing country in their next purcahse.
21. There was no significant relationship between the brand of next purchase and the respondents' demographics.
22. Seiko and Citizen were the most easily called-to-mind Japanese brands, while Rolex and Omega were less recognized than Sakio and Citizen, but were the best recalled Swiss brands.

23. Rolex was recognised as a luxurious watch, Omega has an image made up of a combination of elegance, luxury and stylishness. Rado was recognised as a more practical than economical watch. Girard Perregaux has an image of more elegance and less luxury. Seiko was a more practical watch, while Citizen has a more economical image.

Result of the Hypotheses Tested

A. Salesman Interview

1. The customer's buying intention is heavily influenced by the selling techniques of the salesman (Accepted).
2. Japanese brands are recommended more frequently than Swiss watches by salesmen (Accepted).
3. Japanese watches are perceived by salesmen to be better in style, and cheaper in price; whereas Swiss watches are better in quality and accuracy (Accepted).
4. The watch brand recommended is positively related to the salesman's favourable attitudes towards watches of the same producing country (Accepted)

B. Retailer Survey

1. Seiko and Citizen are recognised as the two best-sales brands (Accepted).
2. Style and price are recognised as the most important two choice criteria in buying watches (Accepted).
3. Japanese and local customers prefer Swiss watches, while American and European tourists like Japanese watches better (Accepted).
4. Japanese brands are perceived by retailers as easier to sell (Accepted).

C. Customer Survey

1. Price is a dominant choice factor perceived by customers in buying watches (Rejected).
2. Japanese watches are perceived by customers to be better in style, advertising and price; whereas Swiss watches are better in quality and durability (Accepted).

3. Replacement and out of fashion are the first and second major reason for buying watches (Accepted).
4. Japanese quartz watches are sold better than Swiss quartz watches, mechanical watches are sold better than their Japanese counterparts (Accepted).
5. Television is the most frequently used source of information before buying watches (Rejected).
6. Japanese brands have higher brand awareness (Accepted).
7. Customers like to buy watches which they consider as popular brands (Accepted).
8. There is a high tendency for customers to buy watches of the same producing country as their old watches (Rejected).

CHAPTER IX

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

In recent years, the sales of Swiss watches in Hong Kong have grown more slowly than that of Japanese watches, whereas in 1970, Swiss manufacturers sold about 50% more watches than Japanese watches in the local market. The sales problems of Swiss watches were evaluated from two main viewpoints. The first viewpoint was taken from the development of the worldwide watch market and the development of watch industries, especially after 1970. The second viewpoint was from three different angles in the local market; namely salesman, retailer, and customer.

In the qualitative analysis of the worldwide watch market, two major trends were found. The first trend was the development of quartz watches, and other was the entry of new competitors into the world's watch industry. These two trends are closely related to the marketing effectiveness of Swiss watches and the possible opportunity for Swiss watches in the future.

The reasons accounted for the inability of Swiss watches to compete with Japanese watches are summarized as follows:

1. Swiss watches were hurt by the worldwide recession during 1973 and 1974, and resumed their normal production capacities slowly.
2. Swiss watch industrialists gave up the opportunity of quartz watches in the 1970's, while this technology was taken up quickly

by Japanese. After Japanese watches had established a stronghold in the world's quartz watch market, the late entry and higher production costs of Swiss quartz watches reduced their competitiveness.

3. The continual rising value of the Swiss Franc further reduced the competitiveness of Swiss watches.
4. Too many Swiss brands are scattered in various price markets, therefore promotional efforts are scattered accordingly. On the other hand, the limited Japanese brands took advantage of concentrated promotional activities.
5. Japanese watches respond quicker to customers' needs in fashion, style and variety of models.

From a micro viewpoint of the local watch market, the attitudes of the customer, the salesman and the retialer have been studied to evaluate the marketing effectiveness of Japanese and Swiss watches.

In the salesman study, the customers' buying intention was found to be heavily influenced by the selling techniques of the salesmen who were generally recognised as unsatisfactory in handling customers. In addition, the salesmen's attitudes towards Japanese or Swiss watches would influence their recommendations to customers.

In the retailer survey, Japanese watches were found to be easier to sell, because of their cheaper prices. Generally, the services offered by Swiss and Japanese watch sole-agents were indifferent to the retailers, though some retailers suggested Swiss watch sole-agents maintain a stable stock supply, especially for popular models. To promote the sales of Swiss watches, many retailers proposed better designs and more advertising for Swiss

watches, and more commissions to salesmen.

In the customer survey, the customers' buying behaviour, their attitudes and brand awareness were studied. Customers bought watches more for replacement and new fashion, and price was found to be less important than style, but more important than brand name in buying watches. Japanese watches were perceived as better in style and cheaper in price; whereas Swiss watches are still superior in quality, durability and accuracy. More Japanese watches were found in middle-lower, and lower price markets, whereas Swiss brands are scattered in various price markets. Japanese watches have higher brand awareness as a result of more advertising expenditures spent on mass media. For instance, Seiko, the leading Japanese brand, spent more than double the advertising expenditures of any Swiss brand per year in Hong Kong. In short, the weak marketing effectiveness of Swiss watches vis-a-vis Japanese watches can be summarized as follows:

1. Swiss watches are inferior in style and fashion which are important choice factors in buying watches.
2. Swiss watches are higher in price as compared with similar Japanese models.
3. Swiss brands have lower brand awareness, except Omega and Rolex, than Japanese brands.
4. Swiss watches have too many brands, but fewer models of the same brand.
5. Swiss watches are relatively weak in middle-lower price market ($200-$400), which is, in fact, the largest segment.

Despite Swiss watches' inability to compete with Japanese watches, there are opportunities for Swiss watches in the world-

wide watch market as well as the local watch market. In 1979, Hong Kong imported about 7.5 million pieces of watches from various countries and this import level is expected to grow at about 13% each year. Productwise, Swiss watches are still perceived as superior in quality, durability and accuracy, the essential elements of watches and the underlying factors for choosing watches. Some Swiss brands have already established reliable and good images, especially in high-price (over $1000) and middle-higher ($701-$1000) price markets.

In the mechanical watch market, Swiss watches are still stronger than Japanese watches and have larger market share. Although the demand for quartz watches is growing and is expected to reach a market share of 65% from its present 40% within 5 years, the demand for mechanical watches is stable and will persist for the next few years. In the quartz watch market, Japanese watches occupy a larger share, but by a further break-down, Swiss quartz analog watches are received better than Japanese.

As to craftsmanship, Switzerland is still recognised as the best. Therefore, supported by the assets of human resources and technology, the Swiss watch industry has the potential to restore its domination in the watch market. The main problem of Swiss watches in the worldwide market and the local market is attributed mainly to the marketing strategies used, especially in product and promotion. Therefore, a long-term integrated marketing approach should be used in light of Swiss watches' relative strengths.

Hong Kong is a free port, open to worldwide fashions and trends. Therefore Hong Kong is an integral part of the world's

watch market, and also a good test market for international products, such as watches.

All in all, the near future foreshadows hard times for Swiss watches to fight against Japanese watches and an effective strategy is badly needed. One essential countermeasure is an integrated marketing plan for all Swiss brands which may be established through joint efforts of all Swiss watch manufacturers. Besides, more marketing research should be done to back up the marketing plan.

Recommendations

In view of the complexity of the watch market, recommendations are made in terms of both long-term and short-term development.

Considering the success of Seiko and Citizen's media advertising, in the short-run, Swiss watches should be supported by more advertising in both television and press, especially television. Besides image advertising, product advertising should also be used to promote a few popular models of Swiss brands. Advertising themes should emphasize Swiss craftsmanship, artistic design, and Swiss advanced technology in watch making. The target market for a particular Swiss brand should be defined and a distinct image should be established to appeal to a particular group. More understanding about this target market in terms of product uses, demographics and buying habits will facilitate the establishment of advertising objectives of a particular Swiss brand.

As to the distribution channels, more product information should be given to retailers, such as brochures, pamphlets or point-of-purchase materials. Ideally, brief training should be given to the salesmen serving the authorized dealers of Swiss watches to increase their product knowledge about Swiss watches, and improve

their selling techniques. Hopefully, their favourable attitudes towards Swiss watches will be strengthened. Moreover, more commission is also a powerful tool to motivate the salesmen.

Watch retail shops were found to be a major source of information to potential customers, therefore retailers should be encouraged to be good information sources or enquiry centers. Swiss watch sole agents should fight for more shop-window space for displaying Swiss watches, and more information other than watches should be provided in shop-window displays.

In response to the growing trend of buying watches as gifts, well designed gift boxes should be provided to stimulate customers' buying needs. Special promotional activities should be launched to cope with seasonal demands. Further, a longer period of free maintenance service gives better customer protection and should be advertised to support the quality and durability image of Swiss watches.

At least one maintenance service center for each Swiss brand should be established to provide reliable and full-range maintenance service to customers, this is also important to give customers extra protection. Especially as quartz watches become more complicated, reliable maintenance services provided by sole-agents will definitely strengthen customers' confidence in Swiss watches.

In short, short-term marketing strategy should concentrate on the target market and promotional activities. More information about the target market will facilitate the development of promotional activities, hence higher effectiveness is expected.

In the long-run, repositioning of a few strong Swiss brands in various price submarkets is the right direction.

By means of this repositioning effort, a few existing Swiss

brands should be placed in each submarket to compete directly against Japanese brands. These Swiss brands should carry distinctive images and should be positioned in their well-defined target segments. These well-defined target submarkets should be sufficiently small at the beginning and then expand gradually. To compete with Japanese brands, more advertising expenses should be committed to promote new advertising themes.

To maintain the competitiveness of Swiss brands, production costs should be controlled. One feasible solution to controlling production costs is to create joint ventures with Hong Kong watch industrialists, taking advantage of Hong Kong's cheaper labour costs to produce middle price Swiss watches.

More research on advanced watch technology, like Cesium movement technology and more advanced automatic machines, should be carried on to exploit new technological breakthroughs in the watch manufacturing industry.

These recommendations, especially the long-term ones, only set the direction for Swiss watches to improve in the future. Further studies should be carried out to realize these suggestions.

Proposals for Further Studies

This study to evaluate the marketing effectiveness of Japanese and Swiss watches is only preliminary in nature, it does not cover the submarkets. Further, the sales and acceptance of Hong Kong watches are intentionally excluded from this study, therefore further studies should emphasize the impacts of Hong Kong watches on the local demand for Japanese and Swiss watches.

Special attention should be paid to the growing quartz market, especially quartz analog watches which may replace traditional

mechanical watches in the future. Further studies about customers' acceptance and expectations about Japanese and Swiss quartz watches will be particularily helpful to promote Swiss quartz watches.

About 15 respondents in the customer survey were Hong Kong watches, so more information about the buying behaviour and product usages of Hong Kong watch customers would also be helpful to establish long-term strategies for Swiss watches in the local market.

In the customer survey, the sample design did not give sufficient representation for tourist watch buyers in Hong Kong. However, tourist watch buyers also are major watch customers in Hong Kong, therefore they should be studied thoroughly.

APPENDIX 1

APPENDIX 1

TABLE 1

HONG KONG TOTAL WATCH IMPORTS

Year		QUANTITY	VALUE IN HK $
1968		2,073,682	177,107,657
1969		3,753,897	354,747,340
1970		4,213,579	408,397,625
1971		4,524,823	440,180,835
1972		4,395,581	460,834,047
1973		4,176,375	581,672,861
1974		5,493,683	694,969,899
1975		4,530,444	589,859,516
1976		4,649,687	653,908,590
1977		5,920,434	886,162,979
1978[1]	LED Watches	154,618	6,150,782
	LCD Watches	959,750	138,975,885
	Other Elec.	726,808	194,790,761
	Watches NES[2]	5,606,015	1,040,092,820
	Sub-total	7,447,191	1,380,010,248
1979[3]	LED Watches	65,042	3,645,558
	LCD Watches	992,028	117,520,372
	Other Elec.	1,344,081	331,626,136
	Watches NES	4,916,763	1,066,284,992
	Sub-total	7,317,914	1,519,077,058

Source: Hong Kong Commerce & Industry Department, Hong Kong Trade Statistics---Imports (Hong Kong: Government Printing Department, 1968-1980).

[1] Sub-classification of complete watches is available from 1978.

[2] NES stands for Not Elsewhere Specified.

[3] These figures are only for the first 11 months of 1979.

APPENDIX 1

Table 2

JAPANESE AND SWISS WATCHES OF HONG KONG

YEAR		JAPANESE WATCH QUANTITY	JAPANESE WATCH VALUE IN HKD	SWISS WATCH QUANTITY	SWISS WATCH VALUE IN HKD
1968		1,920,818	100,537,893	1,014,782	143,520,657
1969		2,415,362	134,822,532	1,197,832	205,007,068
1970		2,454,553	150,776,845	1,298,225	236,022,558
1971		2,530,000	154,642,005	1,310,783	249,155,479
1972		2,514,884	172,223,661	1,198,409	258,837,942
1973		2,346,874	184,807,464	1,321,876	346,772,810
1974		3,304,998	276,472,268	1,532,574	363,460,901
1975		3,050,787	278,387,819	878,731	259,397,523
1976		2,779,258	301,580,904	815,553	270,745,288
1977		3,451,729	453,149,238	1,077,024	333,457,834
1978	LED Watches	6,108	274,294	318	32,153
	LCD Watches	621,902	116,986,195	5,206	848,109
	Other Elec.	674,656	173,118,762	40,669	20,257,427
	Watches NES	2,563,086	317,480,248	1,013,325	572,925,508
	Sub-total	3,865,752	607,859,499	1,059,518	594,063,197
1979[1]	LED Watches	10,767	820,642	70	520,038
	LCD Watches	482,678	85,527,426	7,394	808,863
	Other Elec.	1,212,897	285,370,692	64,171	36,241,200
	Watches NES	1,772,281	199,407,150	783,224	655,984,592
	Sub-total	3,478,623	571,125,910	854,859	693,554,693

Source: Hong Kong Commerce & Industry Department, Hong Kong Trade Statistics---Exports and Re-exports (Hong Kong: Government Printing Department, 1968-1980).

[1] These figures are only for the first 11 months of 1979.

APPENDIX 1

TABLE 3

TOTAL WATCH RE-EXPORTS OF HONG KONG[2]

YEAR		QUANTITY	VALUE IN HK $
1968		973,519	80,527,980
1969		1,123,275	103,606,797
1970		1,481,442	129,727,249
1971		2,049,257	168,283,083
1972		2,559,265	208,365,423
1973		3,627,200	355,720,797
1974		4,905,238	504,855,923
1975		4,705,583	561,130,202
1976		4,363,861	507,705,133
1977		4,903,073	622,500,944
1978	LED Watches	12,347	700,911
	LCD Watches	332,476	69,562,696
	Other Elec.	363,492	92,148,745
	Watches NES	3,814,049	562,282,883
	Sub-total	4,522,364	724,695,235
1979[1]	LED Watches	1,912	187,504
	LCD Watches	435,752	66,476,377
	Other Elec.	747,698	179,678,092
	Watches NES	4,438,149	672,580,408
	Sub-total	5,633,511	918,922,381

Source: Hong Kong Commerce & Industry Department, Hong Kong Trade Statistics---Exports and Re-exports, (Hong Kong: Government Printing Department, 1968-1980).

[1] These figures are only for the first 11 months of 1979.

[2] A re-export is a product which has previously been imported into Hong Kong and which is re-exported without having undergone in Hong Kong a manufacturing process. Therefore, the re-exports of a product may exceed its re-exports in the same period of time.

APPENDIX 1

TABLE 4

WATCH EXPORTS OF HONG KONG

YEAR		QUANTITY	VALUE IN HK $
1968		2,786,715	40,598,603
1969		5,824,210	81,160,501
1970		5,716,346	90,069,431
1971		6,796,628	103,319,827
1972		8,663,609	139,220,755
1973		11,081,911	208,708,952
1974		15,144,247	362,547,708
1975		15,758,719	457,482,233
1976		22,644,276	828,581,790
1977		34,058,307	1,297,823,956
1978	LED Watches	3,320,201	103,869,240
	LCD Watches	16,721,615	928,836,773
	Other Elec.	204,416	20,726,009
	Watches NES	29,136,648	1,118,078,772
	Sub-total	49,382,880	2,171,537,794
1979[1]	LED Watches	839,772	25,762,194
	LCD Watches	36,748,317	1,923,101,936
	Other Elec.	897,099	97,280,535
	Watches NES	27,471,196	1,147,532,446
	Sub-total	65,956,384	3,193,677,111

Source: Hong Kong Commerce & Industry Department, Hong Kong Trade Statistics---Exports and Re-exports, (Hong Kong: Covernment Printing Department, 1968-1980).

[1] These figures are only for the first 11 months of 1979.

APPENDIX 1

TABLE 5

ADVERTISING EXPENDITURES ON MEDIA OF JAPANESE AND SWISS WATCHES 1978-1979

BRAND	T.V.	RADIO	PRESS	MAGAR.	CINEMA	TOTAL (HK$)
'78 Seiko	47.63%	0.71%	33.07%	17.82%	0.76%	2,519,822
'79	70.87	0.57	23.24	4.94	0.37	6,422,722
'78 Citizen	42.23	0.76	49.03	6.55	1.40	2,990,469
'79	61.09		72.87	4.55	1.47	4,857,715
'78 Orient	57.06			42.93		265,313
'79	42.87		53.95	3.17		181,548
'78 Casio	33.03	18.14	48.82			58,988
'79			100.00			139,427
'78 Rolex	67.51		29.15	3.33		1,905,839
'79	73.41		22.63	3.95		2,316,753
'78 Omega	53.79		42.04	4.16		1,832,081
'79	81.12		13.80	4.93		1,722,475
'78 Tissot	55.62		0.10	39.55		645,018
'79	74.69	0.13	20.26	4.90		761,333
'78 Rado	65.37	0.01	27.76	4.56	2.28	1,601,367
'79	45.76		53.73	0.45	0.04	843,478
'78 Titoni	73.56		7.62	13.87	4.93	415,174
'79	58.91		21.99	15.07	4.02	445,223
'78 Mulus	72.09	8.27	5.01	14.62		508,814
'79	51.99	28.50	12.40	7.09		135,336
'78 Octo	78.68	6.56	1.58	9.70	3.46	603,929
'79	77.18	9.10	4.20	5.85	3.64	796,245
'78 Bulova	76.89	0.83	20.07	2.19		603,139
'79	58.01	0.01	38.51	3.45		3,296,120
'78 Enicar		40.08	56.04	3.87		317,532
'79		40.84	57.56	1.30	0.28	381,889
'78 Tudor			64.18	35.81		114,772
'79			100.00			84,637
'78 Tugaris		19.49	74.14	6.35		39,703
'79	40.95		57.19	1.85		64,765

APPENDIX 1

TABLE 6

ADVERTISING EXPENDITURES ON MEDIA OF JAPANESE AND SWISS WATCHES 1978-1979 (Cont'd)

BRAND	T.V.	RADIO	PRESS	MAGAR.	CINEMA	TOTAL
'78 G.P.	53.35		30.56	10.00	6.07	871,492
'79	42.86	1.23	46.90	6.47	2.52	821,575
'78 Sandoz			93.09	6.90		45,440
'79			100.00			43,591
'78 Titus	95.08	0.58	1.07	3.25		240,344
'79	74.39	1.96	19.28	3.93	0.41	3,097,855

Source: "Hong Kong Media Research," File of the Swiss Watch Industry Information Center (Hong Kong), by permission of the organisation.

APPENDIX 1

TABLE 7

ADVERTISED IMAGES OF SOME SELECTED BRANDS OF JAPANESE AND SWISS WATCHES

Brand	Advertisement Descriptions	Advertised Image
Seiko	Advanced Quartz Technology, Elegantly Dressed. The future never looks so good, so slim, so elegant, so superbly accurate. The Seiko men's analogue collection combines the very latest in quartz technology with stylish good looks. Some day all watches will be made this way.	Quartz technology Elegency Accuracy
Citizen	Let Citizen Quartz keep time with the flow of your life. Outside the sophisticated system that make Citizen watches work ... equally sophisticated Citizen designs to match.	Accuracy Good Designs
Rolex	Sothebey's, London, all 11 a.m. precisely. For pearl among opera singers, an oyster.	Wore by famous people. Accuracy Female elegency. High class taste.
Omega	Beautifully reliable. Beautifully timeless in style. A perfect blend of mdoern technology and the watch maker's art.	Reliability Stylish Technology and Art.

Table 7 (Cont'd)

Longines	Many wear gold. Few wear it with style.	Good Value. Good Style.
Juvenia	A touch of class ..... and distinction .... too.	High Class Good Taste
Piaget	The most expensive watch in the world, the most beautiful too. The specialists in ultra thin watches, time preserved in art.	Good value Artistic
Baume & Mercier	Watches that are never out of place.	Good Style.
Chopard	Moving diamonds for happy hours.	Good value Dressy watch
Camy	Fashions in time for the 1980's.	Fashionable
Orient	Link time with fashion to create distinctive, elegant, reliable time-pieces.	Fashionable Elegant and Reliable.
Universal Geneve	Thoroughbred styling and performance.	Reliable and Stylish.
Sandoz	The stylish style in watch design.	Stylishness and design.

APPENDIX 2

APPENDIX 2

THE SALESMAN INTERVIEW

TABLE 1

SALESMAN'S ENTHUSIASM

VAR02 SALESMAN'S ENTHUSIASM

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
STRONGLY DISAGREE	1.	10	10.0	10.0	10.0
DISAGREE	2.	18	18.0	18.0	28.0
NO OPINION	3.	29	29.0	29.0	57.0
AGREE	4.	29	29.0	29.0	86.0
STRONGLY AGREE	5.	14	14.0	14.0	100.0
	TOTAL	100	100.0	100.0	

MEAN	3.190	STD ERR	0.119	MEDIAN	3.259
MODE	3.000	STD DEV	1.187	VARIANCE	1.408
KURTOSIS	-0.771	SKEWNESS	-0.229	RANGE	4.000
MINIMUM	1.000	MAXIMUM	5.000		
VALID CASES	100	MISSING CASES	0		

TABLE 2

SALESMAN'S INFLUENCES

VAR03 SALESMAN'S INFLUENCES

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
STRONGLY DISAGREE	1.	21	21.0	21.0	21.0
DISAGREE	2.	30	30.0	30.0	51.0
NO OPINION	3.	22	22.0	22.0	73.0
AGREE	4.	24	24.0	24.0	97.0
STRONGLY AGREE	5.	3	3.0	3.0	100.0
	TOTAL	100	100.0	100.0	

MEAN	2.580	STD ERR	0.116	MEDIAN	2.467
MODE	2.000	STD DEV	1.156	VARIANCE	1.337
KURTOSIS	-1.079	SKEWNESS	0.161	RANGE	4.000
MINIMUM	1.000	MAXIMUM	5.000		
VALID CASES	100	MISSING CASES	0		

TABLE 3

RELEVANT INFORMATION

VAR04 RELEVANT INFORMATION

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
STRONGLY DISAGREE	1.	12	12.0	12.0	12.0
DISAGREE	2.	25	25.0	25.0	37.0
NO OPINION	3.	31	31.0	31.0	68.0
AGREE	4.	25	25.0	25.0	93.0
STRONGLY AGREE	5.	7	7.0	7.0	100.0
	TOTAL	100	100.0	100.0	

MEAN	2.900	STD ERR	0.112	MEDIAN	2.919
MODE	3.000	STD DEV	1.124	VARIANCE	1.263
KURTOSIS	-0.767	SKEWNESS	-0.017	RANGE	4.000
MINIMUM	1.000	MAXIMUM	5.000		
VALID CASES	100	MISSING CASES	0		

TABLE 4

BUYING INTENTION

VAR05 BUYING INTENTION

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
STRONGLY DISAGREE	1.	20	20.0	20.0	20.0
DISAGREE	2.	28	28.0	28.0	48.0
NO OPINION	3.	31	31.0	31.0	79.0
AGREE	4.	11	11.0	11.0	90.0
STRONGLY AGREE	5.	10	10.0	10.0	100.0
	TOTAL	100	100.0	100.0	

MEAN	2.630	STD ERR	0.121	MEDIAN	2.565
MODE	3.000	STD DEV	1.212	VARIANCE	1.468
KURTOSIS	-0.600	SKEWNESS	0.402	RANGE	4.000
MINIMUM	1.000	MAXIMUM	5.000		
VALID CASES	100	MISSING CASES	0		

TABLE 5

WATCH BRANDS RECOMMENDED BY THE SALESMEN

VAR06 BRAND SOLD BY SALEMAN

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
SEIKO	1.	20	20.0	23.8	23.8
CITIZEN	2.	16	16.0	19.0	42.9
ORIENT	3.	2	2.0	2.4	45.2
CASIO	4.	1	1.0	1.2	46.4
ROLEX	5.	5	5.0	6.0	52.4
OMEGA	6.	6	6.0	7.1	59.5
TISSOT	7.	1	1.0	1.2	60.7
RADO	8.	5	5.0	6.0	66.7
MILUS	10.	1	1.0	1.2	67.9
OCTO	11.	7	7.0	8.3	76.2
BULOVA	12.	5	5.0	6.0	82.1
SANDOZ	18.	2	2.0	2.4	84.5
TITUS	19.	6	6.0	7.1	91.7
OTHERS	20.	7	7.0	8.3	100.0
	9.	16	16.0	MISSING	100.0
	TOTAL	100	100.0	100.0	

MEAN	7.226	STD ERR	0.731	MEDIAN	5.100
MODE	1.000	STD DEV	6.657	VARIANCE	44.312
KURTOSIS	-0.694	SKEWNESS	0.841	RANGE	19.000
MINIMUM	1.000	MAXIMUM	20.000		
VALID CASES	84	MISSING CASES	16		

TABLE 6

SALESMEN'S ENTHUSIASM AND INTERVIEWERS

VAR02	COUNT / ROW PCT / COL PCT / TOT PCT	VAR01 1 LOCAL MALE	2 LOCAL FEMALE	3 TOURIST MALE	4 TOURIST FEMALE	ROW TOTAL
1		2	2	5	1	10
STRONGLY DISAGREE		20.0	20.0	50.0	10.0	10.0
		8.0	8.0	20.0	4.0	
		2.0	2.0	5.0	1.0	
2		4	2	9	3	18
DISAGREE		22.2	11.1	50.0	16.7	18.0
		16.0	8.0	36.0	12.0	
		4.0	2.0	9.0	3.0	
3		9	9	3	8	29
NO OPINION		31.0	31.0	10.3	27.6	29.0
		36.0	36.0	12.0	32.0	
		9.0	9.0	3.0	8.0	
4		7	5	7	10	29
AGREE		24.1	17.2	24.1	34.5	29.0
		28.0	20.0	28.0	40.0	
		7.0	5.0	7.0	10.0	
5		3	7	1	3	14
STRONGLY AGREE		21.4	50.0	7.1	21.4	14.0
		12.0	28.0	4.0	12.0	
		3.0	7.0	1.0	3.0	
COLUMN TOTAL		25	25	25	25	100
		25.0	25.0	25.0	25.0	100.0

RAW CHI SQUARE = 20.64540 WITH 12 DEGREES OF FREEDOM. SIGNIFICANCE = 0.0558

CRAMER'S V = 0.26233

CONTINGENCY COEFFICIENT = 0.41367

ETA = 0.30527 WITH VAR02 DEPENDENT. = 0.14440 WITH VAR01 DEPENDENT.

TABLE 7

SALESMEN'S INFLUENCE AND INTERVIEWERS

VAR03	COUNT / ROW PCT / COL PCT / TOT PCT	VAR01 1 LOCAL MALE	VAR01 2 LOCAL FEMALE	VAR01 3 TOU MALE TOURIST	VAR01 4 TOU FEMALE TOURIST	ROW TOTAL
1 STRONGLY DISAGREE		3	3	12	3	21
		14.3	14.3	57.1	14.3	21.0
		12.0	12.0	48.0	12.0	
		3.0	3.0	12.0	3.0	
2 DISAGREE		11	8	4	7	30
		36.7	26.7	13.3	23.3	30.0
		44.0	32.0	16.0	28.0	
		11.0	8.0	4.0	7.0	
3 NO OPINION		9	4	6	3	22
		40.9	18.2	27.3	13.6	22.0
		36.0	16.0	24.0	12.0	
		9.0	4.0	6.0	3.0	
4 AGREE		1	10	3	10	24
		4.2	41.7	12.5	41.7	24.0
		4.0	40.0	12.0	40.0	
		1.0	10.0	3.0	10.0	
5 STRONGLY AGREE		1	0	0	2	3
		33.3	0.0	0.0	66.7	3.0
		4.0	0.0	0.0	8.0	
		1.0	0.0	0.0	2.0	
COLUMN TOTAL		25	25	25	25	100
		25.0	25.0	25.0	25.0	100.0

RAW CHI SQUARE = 33.38553 WITH 12 DEGREES OF FREEDOM. SIGNIFICANCE = 0.0008
CRAMER'S V = 0.33861
CONTINGENCY COEFFICIENT = 0.50032
ETA = 0.34638 WITH VAR03 DEPENDENT. = 0.29561 WITH VAR01 DEPENDENT.

TABLE 8

RELEVANT INFORMATION AND INTERVIEWERS

VAR04	VAR01 1 LOCAL MALE	2 LOCAL FEMALE	3 TOURIST MALE	4 TOURIST FEMALE	ROW TOTAL
1 STRONGLY DISAGREE	2	4	5	1	12
	16.7	33.3	41.7	8.3	12.0
	8.0	16.0	20.0	4.0	
	2.0	4.0	5.0	1.0	
2 DISAGREE	7	4	8	6	25
	28.0	16.0	32.0	24.0	25.0
	28.0	16.0	32.0	24.0	
	7.0	4.0	8.0	6.0	
3 NO OPINION	9	6	10	6	31
	29.0	19.4	32.3	19.4	31.0
	36.0	24.0	40.0	24.0	
	9.0	6.0	10.0	6.0	
4 AGREE	7	7	2	9	25
	28.0	28.0	8.0	36.0	25.0
	28.0	28.0	8.0	36.0	
	7.0	7.0	2.0	9.0	
5 STRONGLY AGREE	0	4	0	3	7
	0.0	57.1	0.0	42.9	7.0
	0.0	16.0	0.0	12.0	
	0.0	4.0	0.0	3.0	
COLUMN TOTAL	25	25	25	25	100
	25.0	25.0	25.0	25.0	100.0

RAW CHI SQUARE = 17.64418 WITH 12 DEGREES OF FREEDOM. SIGNIFICANCE = 0.1174
CRAMER'S V = 0.24457
CONTINGENCY COEFFICIENT = 0.39805
ETA = 0.31241 WITH VAR04 AS DEPENDENT. = 0.09790 WITH VAR01 AS DEPENDENT.

TABLE 9

BUYING INTENTION AND INTERVIEWERS

	VAR01				
COUNT / ROW PCT / COL PCT / TOT PCT	1 LOCAL MALE	2 LOCAL FEMALE	3 TOURIST MALE	4 TOURIST FEMALE	ROW TOTAL
VAR05					
1	3	2	11	4	20
STRONGLY DISAGREE	15.0	10.0	55.0	20.0	20.0
	12.0	8.0	44.0	16.0	
	2.0	2.0	11.0	4.0	
2	12	9	4	3	28
DISAGREE	42.9	32.1	14.3	10.7	28.0
	48.0	36.0	16.0	12.0	
	12.0	9.0	4.0	3.0	
3	7	8	9	7	31
NO OPINION	22.6	25.8	29.0	22.6	31.0
	28.0	32.0	36.0	28.0	
	7.0	8.0	9.0	7.0	
4	2	3	1	5	11
AGREE	18.2	27.3	9.1	45.5	11.0	
	8.0	12.0	4.0	20.0	
	2.0	3.0	1.0	5.0	
5	1	3	0	6	10
STRONGLY AGREE	10.0	30.0	0.0	60.0	10.0
	4.0	12.0	0.0	24.0	
	1.0	3.0	0.0	6.0	
COLUMN TOTAL	25 / 25.0	25 / 25.0	25 / 25.0	25 / 25.0	100 / 100.0

RAW CHI SQUARE = 29.65085 WITH 12 DEGREES OF FREEDOM. SIGNIFICANCE = 0.0032
CRAMER'S V = 0.31438
CONTINGENCY COEFFICIENT = 0.47822
ETA = 0.38223 WITH VAR05 DEPENDENT. = 0.35400 WITH VAR01 DEPENDENT.

TABLE 10

DEMONSTRATION AND INTERVIEWERS

* C R O S S T A B U L A T I O N O F * * * * * * * *

VAR07 DEMONSTRATION BY VAR01 INTERVIEWER TYPE

* * * * * * * * * * * * * * * * * * * \

TABLE 11

SHOP LOCATION AND HONG KONG WATCHES

	VAR17		
	COUNT / ROW PCT / COL PCT / TOT PCT	NO	YES	ROW TOTAL
VAR18		1	2	
1 WANCHAI & TAIHAN		8 88.9 11.3 8.0	1 11.1 3.4 1.0	9 9.0
2 NORTH POINT		3 100.0 4.2 3.0	0 0.0 0.0 0.0	3 3.0
3 SHAUKEIWAN		1 50.0 1.4 1.0	1 50.0 3.4 1.0	2 2.0
4 WEST & ABERDEEN		8 72.7 11.3 8.0	3 27.3 10.3 3.0	11 11.0
5 YAUMATEI		5 83.3 7.0 5.0	1 16.7 3.4 1.0	6 6.0
6 CHEUNG SHA WAN		4 66.7 5.6 4.0	2 33.3 6.9 2.0	6 6.0
7 HOMANTIN & HUNGH		1 25.0 1.4 1.0	3 75.0 10.3 3.0	4 4.0
COLUMN TOTAL		71 71.0	29 29.0	100 100.0

(CONTINUED)

TABLE 12

SHOP LOCATION AND HONG KONG WATCHES

VAR18	VAR17		
COUNT / ROW PCT / COL PCT / TOT PCT	NO (1)	YES (2)	ROW TOTAL
3 KAI TAK	5	0	5
	100.0	0.0	5.0
	7.0	0.0	
	5.0	0.0	
10 NGAUTAUKOK & KWU	3	1	4
	75.0	25.0	4.0
	4.2	3.4	
	3.0	1.0	
11 TSIM SHA TSUI	15	10	25
	60.0	40.0	25.0
	21.1	34.5	
	15.0	10.0	
12 MONGKOK	6	4	10
	60.0	40.0	10.0
	8.5	13.8	
	6.0	4.0	
13 CENTRAL	12	3	15
	80.0	20.0	15.0
	16.9	10.3	
	12.0	3.0	
COLUMN TOTAL	71	29	100
	71.0	29.0	100.0

RAW CHI SQUARE = 12.39740 WITH 11 DEGREES OF FREEDOM. SIGNIFICANCE = 0.3345

CRAMER'S V = 0.35210

CONTINGENCY COEFFICIENT = 0.33211

ETA = 0.11259 WITH VAR18 DEPENDENT. = 0.35210 WITH VAR17 DEPENDENT.

TABLE 13

SHOP LOCATION AND HONG KONG WATCHES

CROSSTABULATION OF VAR18 QUESTIONNAIRE NUMBER BY VAR17 HONG KONG WATCH

VAR18	VAR17 YES (1)	VAR17 YES (2)	ROW TOTAL
14 TOURIST AREA	33	17	50
	66.0	34.0	50.0
	46.5	58.6	
	33.0	17.0	
15 NON-TOURIST AREA	38	12	50
	76.0	24.0	50.0
	53.5	41.4	
	38.0	12.0	
COLUMN TOTAL	71	29	100
	71.0	29.0	100.0

CORRECTED CHI SQUARE = 0.77708 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.3780
RAW CHI SQUARE = 1.21418 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.2705
PHI = 0.11019
CONTINGENCY COEFFICIENT = 0.10953
ETA = 0.10969 WITH VAR18 DEPENDENT. = 0.11019 WITH VAR17 DEPENDENT.

TABLE 14

MULTIPLE LINEAR REGRESSION FUNCTION

DEPENDENT VARIABLE.. VAR05 BUYING INTENTION

VARIABLE(S) ENTERED ON STEP NUMBER 3.. VAR02 SALESMAN'S ENTHUSIASM

MULTIPLE R	0.88376	ANALYSIS OF VARIANCE	DF
R SQUARE	0.78090	REGRESSION	3.
ADJUSTED R SQUARE	0.78333	RESIDUAL	96.
STANDARD ERROR	0.56494		

SUM OF SQUARES	MEAN SQUARE	F
114.77975	38.25992	120.30534
30.53025	0.31802	

---------- VARIABLES IN THE EQUATION ----------

VARIABLE	B	BETA	STD ERROR B	F
VAR03	0.4760375	0.45338	0.08628	30.313
VAR04	0.3926937	0.36422	0.07273	29.151
VAR02	0.1702734	0.16677	0.07399	5.296
(CONSTANT)	-0.2775907			

---------- VARIABLES NOT IN THE EQUATION ----------

VARIABLE	BETA IN	PARTIAL	TOLERANCE	F

APPENDIX 3

APPENDIX 3

THE RETAILER SURVEY

TABLE 1

SHOP LOCATION

VAR42 SHOP LOCATION

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
TSIM SHA TSUI	0.	13	26.0	26.0	26.0
YAU MA TEI	1.	3	6.0	6.0	32.0
CHEUNG SHA WAN	2.	3	6.0	6.0	38.0
HOMANTIN & HUNGHUM	3.	2	4.0	4.0	42.0
KAI TAK	4.	2	4.0	4.0	46.0
NGAUTAUKOK;KWUNTONG	5.	2	4.0	4.0	50.0
MONGKOK	6.	5	10.0	10.0	60.0
CENTRAL	7.	8	16.0	16.0	76.0
WEST & ABERDEEN	8.	5	10.0	10.0	86.0
WANCHAI & TAIHANG	10.	4	8.0	8.0	94.0
NORTH POINT	11.	2	4.0	4.0	98.0
SHAU KEI WAN	12.	1	2.0	2.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	4.660	STD ERR	0.537	MEDIAN	5.500
MODE	0.0	STD DEV	3.799	VARIANCE	14.433
KURTOSIS	-1.269	SKEWNESS	0.111	RANGE	12.000
MINIMUM	0.0	MAXIMUM	12.000		
VALID CASES	50	MISSING CASES	0		

TABLE 2

NUMBER OF SALESMEN

VAR40 NO OF SALESMEN

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
1 PERSON OR LESS	0.	1	2.0	2.0	2.0
2 TO 3	1.	17	34.0	34.0	36.0
4 TO 5	2.	15	30.0	30.0	66.0
6 TO 7	3.	3	6.0	6.0	72.0
8 TO 10	4.	6	12.0	12.0	84.0
OVER 10	5.	8	16.0	16.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	2.400	STD ERR	0.214	MEDIAN	1.967
MODE	1.000	STD DEV	1.512	VARIANCE	2.286
KURTOSIS	-0.967	SKEWNESS	0.642	RANGE	5.000
MINIMUM	0.0	MAXIMUM	5.000		

VALID CASES 50 MISSING CASES 0

TABLE 3

MAJOR CUSTOMER

VAR41 MAJOR CUSTOMER

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
LOCAL PEOPLE	0.	33	66.0	68.8	68.8
TOURISTS	1.	15	30.0	31.3	100.0
	9.	2	4.0	MISSING	100.0
	TOTAL	50	100.0	100.0	

MEAN	0.313	STD ERR	0.068	MEDIAN	0.227
MODE	0.0	STD DEV	0.468	VARIANCE	0.219
KURTOSIS	-1.361	SKEWNESS	0.835	RANGE	1.000
MINIMUM	0.0	MAXIMUM	1.000		
VALID CASES	48	MISSING CASES	2		

TABLE 4

MAJOR CUSTOMER AND SHOP LOCATION

* C R O S S T A B U L A T I O N O F * * * * * *
VAR41 MAJOR CUSTOMER BY VAR42 SHOP LOCATION
* *

		VAR42		
	COUNT I			
	ROW PCT ITOURIST	NON-TOUR	ROW	
	COL PCT IAREA	IST AREA	TOTAL	
	TOT PCT I 13	I 14	I	
VAR41	--------I--------I--------I			
0	I 9	I 24	I 33	
LOCAL PEOPLE	I 27.3	I 72.7	I 68.8	
	I 37.5	I 100.0	I	
	I 18.8	I 50.0	I	
	-I--------I--------I			
1	I 15	I 0	I 15	
TOURISTS	I 100.0	I 0.0	I 31.3	
	I 62.5	I 0.0	I	
	I 31.3	I 0.0	I	
	-I--------I--------I			
COLUMN	24	24	48	
TOTAL	50.0	50.0	100.0	

CORRECTED CHI SQUARE = 19.00604 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.0000
RAW CHI SQUARE = 21.81818 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.0000
PHI = 0.67420
CONTINGENCY COEFFICIENT = 0.55902
ETA = 0.67420 WITH VAR41 DEPENDENT. = 0.67411 WITH VAR42 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 2

TABLE 5

TYPE OF WATCHES SOLD

VAR02 TYPE OF WATCHES SOLD

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
JAP & SWISS WATCH	3.	22	44.0	44.0	44.0
SWISS & HONGKONG WAT	6.	1	2.0	2.0	46.0
JAP,SWISS & HONGKONG	7.	27	54.0	54.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	5.220	STD ERR	0.282	MEDIAN	6.574
MODE	7.000	STD DEV	1.993	VARIANCE	3.971
KURTOSIS	-2.014	SKEWNESS	-0.236	RANGE	4.000
MINIMUM	3.000	MAXIMUM	7.000		
VALID CASES	50	MISSING CASES	0		

TABLE 6

TYPE OF WATCHES SOLD AND SHOP LOCATION

* C R O S S T A B U L A T I O N O F * * * * * *

VAR02 TYPE OF WATCHES SOLD BY VAR42 SHOP LOCATION

* *

		VAR42		
	COUNT I			
	ROW PCT ITOURIST	NON-TOUR	ROW	
	COL PCT IAREA	IST AREA	TOTAL	
	TOT PCT I 13	I 14	I	
VAR02	--------I--------I--------I			
3	I 14	I 8	I 22	
JAP & SWISS WATC	I 63.6	I 36.4	I 44.0	
	I 53.8	I 33.3	I	
	I 28.0	I 16.0	I	
	-I--------I--------I			
6	I 1	I 0	I 1	
SWISS & HONGKONG	I 100.0	I 0.0	I 2.0	
	I 3.8	I 0.0	I	
	I 2.0	I 0.0	I	
	-I--------I--------I			
7	I 11	I 16	I 27	
JAP,SWISS & HONG	I 40.7	I 59.3	I 54.0	
	I 42.3	I 66.7	I	
	I 22.0	I 32.0	I	
	-I--------I--------I			
COLUMN	26	24	50	
TOTAL	52.0	48.0	100.0	

RAW CHI SQUARE = 3.40787 WITH 2 DEGREES OF FREEDOM. SIGNIFICANCE = 0.1748

CRAMER'S V = 0.26412

CONTINGENCY COEFFICIENT = 0.25536

ETA = 0.21754 WITH VAR02 DEPENDENT. = 0.26419 WITH VAR42 DEPENDENT.

TABLE 7

AUTHORIZED DEALERS

VAR03 AUTHORIZED DEALER

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
NOT AN AUTHORIZED RE	0.	22	44.0	44.0	44.0
AUTHORIZED RETAILER	1.	28	56.0	56.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	0.560	STD ERR	0.071	MEDIAN	0.607
MODE	1.000	STD DEV	0.501	VARIANCE	0.251
KURTOSIS	-2.020	SKEWNESS	-0.249	RANGE	1.000
MINIMUM	0.0	MAXIMUM	1.000		
VALID CASES	50	MISSING CASES	0		

TABLE 8

FIRST BEST-SOLD BRAND

VAR04 FIRST BEST-SOLD BRAND

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
TITONI	0.	2	4.0	4.3	4.3
SEIKO	1.	19	38.0	41.3	45.7
CITIZEN	2.	9	18.0	19.6	65.2
ROLEX	5.	10	20.0	21.7	87.0
OMEGA	6.	4	8.0	8.7	95.7
TISSOT	7.	1	2.0	2.2	97.8
TITUS	10.	1	2.0	2.2	100.0
	9.	4	8.0	MISSING	100.0
	TOTAL	50	100.0	100.0	

MEAN	2.978	STD ERR	0.467	MEDIAN	1.722
MODE	1.000	STD DEV	3.166	VARIANCE	10.022
KURTOSIS	13.757	SKEWNESS	3.048	RANGE	19.000
MINIMUM	0.0	MAXIMUM	19.000		

VALID CASES 46 MISSING CASES 4

TABLE 9

SECOND BEST-SOLD BRAND

VAR05 SECOND BEST-SOLD BRAND

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
SEIKO	1.	5	10.0	11.1	11.1
CITIZEN	2.	18	36.0	40.0	51.1
ROLEX	5.	1	2.0	2.2	53.3
OMEGA	6.	4	8.0	8.9	62.2
TISSOT	7.	2	4.0	4.4	66.7
CCTO	11.	2	4.0	4.4	71.1
BULOVA	12.	1	2.0	2.2	73.3
ENICAR	13.	2	4.0	4.4	77.8
TUDOR	14.	1	2.0	2.2	80.0
GIRARD PERREGAUX	17.	1	2.0	2.2	82.2
TITUS	19.	2	4.0	4.4	86.7
OTHERS	20.	6	12.0	13.3	100.0
	9.	5	10.0	MISSING	100.0
	TOTAL	50	100.0	100.0	

MEAN	7.400	STD ERR	1.057	MEDIAN	2.472
MODE	2.000	STD DEV	7.088	VARIANCE	50.245
KURTOSIS	-0.901	SKEWNESS	0.846	RANGE	19.000
MINIMUM	1.000	MAXIMUM	20.000		

VALID CASES 45 MISSING CASES 5

TABLE 10

THIRD BEST-SOLD BRAND

VAR06 THIRD BEST-SOLD BRAND

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
TITONI	0.	2	4.0	4.8	4.8
SEIKO	1.	7	14.0	16.7	21.4
CITIZEN	2.	5	10.0	11.9	33.3
ROLEX	5.	2	4.0	4.8	38.1
OMEGA	6.	3	6.0	7.1	45.2
MILUS	10.	1	2.0	2.4	47.6
ECTO	11.	6	12.0	14.3	61.9
BULOVA	12.	2	4.0	4.8	66.7
ENICAR	13.	2	4.0	4.8	71.4
TUDOR	14.	1	2.0	2.4	73.8
GIRARD PERREGAUX	17.	1	2.0	2.4	76.2
SANDOZ	18.	2	4.0	4.8	81.0
TITUS	19.	1	2.0	2.4	83.3
OTHERS	20.	7	14.0	16.7	100.0
	9.	8	16.0	MISSING	100.0
	TOTAL	50	100.0	100.0	

MEAN	9.452	STD ERR	1.125	MEDIAN	10.667
MODE	1.000	STD DEV	7.269	VARIANCE	53.132
KURTOSIS	-1.452	SKEWNESS	0.180	RANGE	20.000
MINIMUM	0.0	MAXIMUM	20.000		

VALID CASES 42 MISSING CASES 8

TABLE 11

PERCENTAGE OF JAPANESE WATCH SOLD

VAR07 PERCENTAGE OF JAP WATCH SOLD

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
0 TO 20	1.	11	22.0	22.0	22.0
21 TO 40	2.	17	34.0	34.0	56.0
41 TO 60	3.	13	26.0	26.0	82.0
61 TO 80	4.	8	16.0	16.0	98.0
81 TO 100	5.	1	2.0	2.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	2.420	STD ERR	0.151	MEDIAN	2.324
MODE	2.000	STD DEV	1.071	VARIANCE	1.147
KURTOSIS	-0.720	SKEWNESS	0.321	RANGE	4.000
MINIMUM	1.000	MAXIMUM	5.000		

VALID CASES 50 MISSING CASES 0

TABLE 12

JAPANESE WATCHES SOLD AND SHOP LOCATION

VAR37	COUNT / ROW PCT / COL PCT / TOT PCT	VAR42 TOURIST AREA 13	NON-TOUR IST AREA 14	ROW TOTAL
1		10	1	11
0 TO 20		90.9	9.1	22.0
		38.5	4.2	
		20.0	2.0	
2		6	11	17
21 TO 40		35.3	64.7	34.0
		23.1	45.8	
		12.0	22.0	
3		7	6	13
41 TO 60		53.8	46.2	26.0
		26.9	25.0	
		14.0	12.0	
4		3	5	8
61 TO 80		37.5	62.5	16.0
		11.5	20.8	
		6.0	10.0	
5		0	1	1
81 TO 100		0.0	100.0	2.0
		0.0	4.2	
		0.0	2.0	
COLUMN TOTAL		26 52.0	24 48.0	50 100.0

RAW CHI SQUARE = 10.34770 WITH 4 DEGREES OF FREEDOM. SIGNIFICANCE = 0.0350
CRAMER'S V = 0.45492
CONTINGENCY COEFFICIENT = 0.41409
ETA = 0.29911 WITH VAR37 DEPENDENT. = 0.45491 WITH VAR42 DEPENDENT.

TABLE 13

PERCENTAGE OF SWISS-WATCH SOLD

VAR08 PERCENTAGE OF SWISS WATCH SOLD

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
0 TO 20	1.	8	16.0	16.0	16.0
21 TO 40	2.	16	32.0	32.0	48.0
41 TO 60	3.	13	26.0	26.0	74.0
61 TO 80	4.	10	20.0	20.0	94.0
81 TO 100	5.	3	6.0	6.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	2.680	STD ERR	0.163	MEDIAN	2.577
MODE	2.000	STD DEV	1.151	VARIANCE	1.324
KURTOSIS	-0.765	SKEWNESS	0.250	RANGE	4.000
MINIMUM	1.000	MAXIMUM	5.000		

VALID CASES 50 MISSING CASES 0

TABLE 14

SWISS WATCHES SOLD AND SHOP LOCATION

		VAR42		
	COUNT I ROW PCT I TOURIST COL PCT I AREA TOT PCT I	13	NON-TOURIST AREA 14	ROW TOTAL
VAR08				
1 0 TO 20		4 50.0 15.4 8.0	4 50.0 16.7 8.0	8 16.0
2 21 TO 40		8 50.0 30.8 16.0	8 50.0 33.3 16.0	16 32.0
3 41 TO 60		6 46.2 23.1 12.0	7 53.8 29.2 14.0	13 26.0
4 61 TO 80		5 50.0 19.2 10.0	5 50.0 20.8 10.0	10 20.0
5 81 TO 100		3 100.0 11.5 6.0	0 0.0 0.0 0.0	3 6.0
COLUMN TOTAL		26 52.0	24 48.0	50 100.0

RAW CHI SQUARE = 3.00172 WITH 4 DEGREES OF FREEDOM. SIGNIFICANCE = 0.5575
CRAMER'S V = 0.24502
CONTINGENCY COEFFICIENT = 0.23799
ETA = 0.11663 WITH VAR08 DEPENDENT. = 0.24506 WITH VAR42 DEPENDENT.

TABLE 15

RECOMMENDATIONS TO CUSTOMERS

IF NO PREFERENCE

VAR20 RECOMMENDATION TO CUSTOMER IF NC PREFERE

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
RECOMMEND AUTHORIZED	0.	3	6.0	6.0	6.0
RECOMMEND JAP MATCH	1.	5	10.0	10.0	16.0
RECOMMEND SWISS MATC	2.	4	8.0	8.0	24.0
ACCORDING TO CUSTOME	3.	23	46.0	46.0	70.0
SHOW A FEW MODELS	4.	11	22.0	22.0	92.0
OTHERS	5.	4	8.0	8.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	2.920	STD ERR	0.178	MEDIAN	3.065
MODE	3.000	STD DEV	1.259	VARIANCE	1.585
KURTOSIS	0.284	SKEWNESS	-0.674	RANGE	5.000
MINIMUM	0.0	MAXIMUM	5.000		

VALID CASES 50 MISSING CASES 0

TABLE 16

WATCHES EASIER TO SELL AND THE REASON

VAR27	COUNT / ROW PCT / COL PCT / TOT PCT	VAR28 0 ADVERTISING	1 GOOD PRICING	4 MORE BRANDS	5 GOOD PRODUCTS	6 OTHERS	ROW TOTAL
0 SWISS WATCH		0	1	4	4	3	12
		0.0	8.3	33.3	33.3	25.0	33.3
		0.0	9.1	66.7	80.0	50.0	
		0.0	2.8	11.1	11.1	8.3	
1 JAP WATCH		8	10	2	1	2	23
		34.8	43.5	8.7	4.3	8.7	63.9
		100.0	90.9	33.3	20.0	33.3	
		22.2	27.8	5.6	2.8	5.6	
3 OTHERS		0	0	0	0	1	1
		0.0	0.0	0.0	0.0	100.0	2.8
		0.0	0.0	0.0	0.0	16.7	
		0.0	0.0	0.0	0.0	2.8	
COLUMN TOTAL		8	11	6	5	6	36
		22.2	30.6	16.7	13.9	16.7	100.0

RAW CHI SQUARE = 21.52367 WITH 8 DEGREES OF FREEDOM. SIGNIFICANCE = 0.0059
CRAMER'S V = 0.54675
CONTINGENCY COEFFICIENT = 0.61169
ETA = 0.50308 WITH VAR27 DEPENDENT. = 0.66671 WITH VAR28 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 14

TABLE 17

PRODUCT ADVICE FOR SWISS WATCH

VAR36 PRODUCT ADVICE FOR SWISS WATCH

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
FEWER BRANDS	0.	4	8.0	8.3	8.3
MORE BRANDS	1.	1	2.0	2.1	10.4
BETTER DESIGN	2.	22	44.0	45.8	56.3
BETTER QUALITY	3.	12	24.0	25.0	81.3
NO NEED TO CHANGE	4.	9	18.0	18.8	100.0
	9.	2	4.0	MISSING	100.0
	TOTAL	50	100.0	100.0	

MEAN	2.438	STD ERR	0.157	MEDIAN	2.364
MODE	2.000	STD DEV	1.090	VARIANCE	1.188
KURTOSIS	0.247	SKEWNESS	-0.451	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		
VALID CASES	48	MISSING CASES	2		

TABLE 18

PRICE ADVICE FOR SWISS WATCH

VAR37 PRICE ADVICE FOR SWISS WATCH

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
REDUCE PRICES	0.	17	34.0	34.0	34.0
INCREASE PRICES	1.	1	2.0	2.0	36.0
KEEP PRESENT PRICES	2.	31	62.0	62.0	98.0
OTHERS	3.	1	2.0	2.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	1.320	STD ERR	0.138	MEDIAN	1.726
MODE	2.000	STD DEV	0.978	VARIANCE	0.957
KURTOSIS	-1.524	SKEWNESS	-0.560	RANGE	3.000
MINIMUM	0.0	MAXIMUM	3.000		
VALID CASES	50	MISSING CASES	0		

TABLE 19

PROMOTION ADVICE FOR SWISS WATCH

VAR38 PROMOTION ADVICE FOR SWISS WATCH

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
MORE ADVERTISING	0.	33	66.0	66.0	66.0
CHANGE IMAGE	1.	1	2.0	2.0	68.0
BETTER SERVICE	2.	9	18.0	18.0	86.0
NO NEED TO CHANGE	3.	4	8.0	8.0	94.0
OTHERS	4.	3	6.0	6.0	100.0
	TOTAL	50	100.0	100.0	

MEAN	0.860	STD ERR	0.185	MEDIAN	0.258
MODE	0.0	STD DEV	1.309	VARIANCE	1.715
KURTOSIS	0.014	SKEWNESS	1.178	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		
VALID CASES	50	MISSING CASES	0		

TABLE 20

DISTRIBUTION ADVICE FOR SWISS WATCH

VAR39 DISTRIBUTION ADVICE FOR SWISS WATCH

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
MORE COMMISSIONS	0.	18	36.0	36.7	36.7
MORE CONTACTS	1.	5	10.0	10.2	46.9
MORE HELP	2.	15	30.0	30.6	77.6
NO NEED TO CHANGE	3.	9	18.0	18.4	95.9
OTHERS	4.	2	4.0	4.1	100.0
	9.	1	2.0	MISSING	100.0
	TOTAL	50	100.0	100.0	

MEAN	1.429	STD ERR	0.182	MEDIAN	1.600
MODE	0.0	STD DEV	1.275	VARIANCE	1.625
KURTOSIS	-1.239	SKEWNESS	0.198	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		
VALID CASES	49	MISSING CASES	1		

APPENDIX 4

APPENDIX 4

THE CUSTOMER SURVEY

TABLE 1

SEX OF RESPONDENTS

VAR46 SEX OF RESPONDENT

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
MALE	0.	190	63.3	63.3	63.3
FEMALE	1.	110	36.7	36.7	100.0
	TOTAL	300	100.0	100.0	

MEAN	0.367	STD ERR	0.028	MEDIAN	0.289
MODE	0.0	STD DEV	0.483	VARIANCE	0.233
KURTOSIS	-1.702	SKEWNESS	0.556	RANGE	1.000
MINIMUM	0.0	MAXIMUM	1.000		
VALID CASES	300	MISSING CASES	0		

TABLE 2

NATIONALITY OF RESPONDENTS

VAR47 NATIONALITY OF RESPONDENT

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
CHINESE	0.	296	98.7	98.7	98.7
JAPANESE	1.	1	0.3	0.3	99.0
EUROPEAN	2.	2	0.7	0.7	99.7
OTHERS	4.	1	0.3	0.3	100.0
	TOTAL	300	100.0	100.0	

MEAN	0.030	STD ERR	0.017	MEDIAN	0.007
MODE	0.0	STD DEV	0.288	VARIANCE	0.083
KURTOSIS	136.345	SKEWNESS	11.149	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		
VALID CASES	300	MISSING CASES	0		

TABLE 3

AGE OF RESPONDENTS

VAR48 AGE OF RESPONDENT

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
UNDER 20	0.	57	19.0	19.0	19.0
21 - 30	1.	176	58.7	58.7	77.7
31 - 40	2.	37	12.3	12.3	90.0
41 - 50	3.	19	6.3	6.3	96.3
OVER 50	4.	11	3.7	3.7	100.0
	TOTAL	300	100.0	100.0	

MEAN	1.170	STD ERR	0.054	MEDIAN	1.028
MODE	1.000	STD DEV	0.933	VARIANCE	0.871
KURTOSIS	1.665	SKEWNESS	1.222	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		
VALID CASES	300	MISSING CASES	0		

TABLE 4

MARITAL STATUS OF RESPONDENTS

VAR49 MARITAL STATUS OF RESPONDENT

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
SINGLE	0.	185	61.7	61.7	61.7
MARRIED	1.	115	38.3	38.3	100.0
	TOTAL	300	100.0	100.0	

MEAN	0.383	STD ERR	0.028	MEDIAN	0.311
MODE	0.0	STD DEV	0.487	VARIANCE	0.237
KURTOSIS	-1.779	SKEWNESS	0.482	RANGE	1.000
MINIMUM	0.0	MAXIMUM	1.000		
VALID CASES	300	MISSING CASES	0		

TABLE 5

OCCUPATION OF RESPONDENTS

VAR50 OCCUPATION OF RESPONDENT

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
PROFESSIONAL	0.	52	17.3	17.3	17.3
WHITE COLLAR	1.	77	25.7	25.7	43.0
BLUE COLLAR	2.	49	16.3	16.3	59.3
BUSINESS EXECUTIVE	3.	10	3.3	3.3	62.7
MERCHANT	4.	16	5.3	5.3	68.0
CIVIL SERVANT	5.	28	9.3	9.3	77.3
UNEMPLOYED-HOUSEWIFE	6.	45	15.0	15.0	92.3
OTHERS	7.	23	7.7	7.7	100.0
	TOTAL	300	100.0	100.0	

MEAN	2.400	STD ERR	0.138	MEDIAN	1.929
MODE	1.000	STD DEV	2.394	VARIANCE	5.732
KURTOSIS	-1.302	SKEWNESS	0.463	RANGE	7.000
MINIMUM	0.0	MAXIMUM	7.000		
VALID CASES	300	MISSING CASES	0		

TABLE 6

HIGHEST EDUCATION LEVEL COMPLETED BY RESPONDENTS

VAR51 HIGHEST EDUCATION LEVEL COMPLETED BY RES

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
PRIMARY SCHOOL	0.	28	9.3	9.4	9.4
SECONDARY SCHOOL	1.	184	61.3	61.5	70.9
POST SECONDARY	2.	40	13.3	13.4	84.3
UNIVERSITY	3.	42	14.0	14.0	98.3
OTHERS	4.	5	1.7	1.7	100.0
	9.	1	0.3	MISSING	100.0
	TOTAL	300	100.0	100.0	

MEAN	1.371	STD ERR	0.052	MEDIAN	1.160
MODE	1.000	STD DEV	0.897	VARIANCE	0.805
KURTOSIS	0.370	SKEWNESS	0.939	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		

VALID CASES 299 MISSING CASES 1

TABLE 7

PERSONAL INCOME OF RESPONDENTS

VAR52 PERSONAL MONTHLY INCOME OF RESPONDENT

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
BELOW $1000	0.	56	18.7	19.7	19.7
1001 - 2000	1.	111	37.0	39.1	58.8
2001 - 3000	2.	51	17.0	18.0	76.8
3001 -4000	3.	34	11.3	12.0	88.7
4001 -5000	4.	10	3.3	3.5	92.3
OVER 5000	5.	22	7.3	7.7	100.0
	9.	16	5.3	MISSING	100.0
	TOTAL	300	100.0	100.0	

MEAN	1.637	STD ERR	0.084	MEDIAN	1.275
MODE	1.000	STD DEV	1.419	VARIANCE	2.013
KURTOSIS	0.231	SKEWNESS	0.975	RANGE	5.000
MINIMUM	0.0	MAXIMUM	5.000		

VALID CASES 284 MISSING CASES 16

TABLE 8

NUMBER OF WATCHES BOUGHT

VAR03 NUMBER OF WATCH BOUGHT

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
ONE WATCH	0.	63	21.0	21.0	21.0
TWO	1.	74	24.7	24.7	45.7
THREE OR MORE	2.	163	54.3	54.3	100.0
	TOTAL	300	100.0	100.0	

MEAN	1.333	STD ERR	0.046	MEDIAN	1.580
MODE	2.000	STD DEV	0.803	VARIANCE	0.644
KURTOSIS	-1.122	SKEWNESS	-0.676	RANGE	2.000
MINIMUM	0.0	MAXIMUM	2.000		
VALID CASES	300	MISSING CASES	0		

TABLE 9

BRAND OF MOST RECENT PURCHASE

VAR04 BRAND OF MOST RECENT PURCHASE

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
TITONI	0.	2	0.7	0.7	0.7
SEIKO	1.	46	15.3	15.7	16.4
CITIZEN	2.	48	16.0	16.4	32.8
ORIENT	3.	2	0.7	0.7	33.4
CASIO	4.	3	1.0	1.0	34.5
ROLEX	5.	10	3.3	3.4	37.9
OMEGA	6.	12	4.0	4.1	42.0
TISSOT	7.	14	4.7	4.8	46.8
RADO	8.	18	6.0	6.1	52.9
MILUS	10.	8	2.7	2.7	55.6
CCTO	11.	12	4.0	4.1	59.7
BULOVA	12.	6	2.0	2.0	61.8
ENICAR	13.	17	5.7	5.8	67.6
TUDOR	14.	2	0.7	0.7	68.3
TUGARIS	15.	4	1.3	1.4	69.6
GIRARD-PERREGAUX	17.	3	1.0	1.0	70.6
SANDOZ	18.	18	6.0	6.1	76.8
TITUS	19.	4	1.3	1.4	78.2
OTHERS	20.	64	21.3	21.8	100.0
	9.	7	2.3	MISSING	100.0
	TOTAL	300	100.0	100.0	

TABLE 10

BRAND OF MOST RECENT PURCHASE AND

SEX OF RESPONDENTS

* C R O S S T A B U L A T I O N O F * * * * * * * * *

VAR04 BRAND OF MOST RECENT PURCHASE BY VAR46 SEX OF RESPONDENT

* * * * * * * * * * * * * * * * * * * \

TABLE 11

BRAND OF MOST RECENT PURCHASE AND NATIONALITY

OF RESPONDENTS

* C R O S S T A B U L A T I O N O F * * * * * * * * * * * * * * * * * * *

VAR04 BRAND OF MOST RECENT PURCHASE BY VAR47 NATIONALITY OF RESPONDENT

* *

		VAR47				
	COUNT / ROW PCT / COL PCT / TOT PCT	CHINESE	JAPANESE	EUROPEAN	OTHERS	ROW TOTAL
		0	1	2	4	
VAR04						
	21	129	0	1	0	130
SWISS WATCH		56.2	0.0	0.8	0.0	56.8
		57.3	0.0	50.0	0.0	
		56.3	0.0	0.4	0.0	
	22	96	1	1	1	99
JAP WATCH		97.0	1.0	1.0	1.0	43.2
		42.7	100.0	50.0	100.0	
		41.9	0.4	0.4	0.4	
	COLUMN TOTAL	225	1	2	1	229
		98.3	0.4	0.9	0.4	100.0

RAW CHI SQUARE = 2.08234 WITH 3 DEGREES OF FREEDOM. SIGNIFICANCE = 0.4414

CRAMER'S V = 0.10044

CONTINGENCY COEFFICIENT = 0.10021

ETA = 0.10541 WITH VAR04 DEPENDENT. = 0.08354 WITH VAR47 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 71

TABLE 12

BRAND OF MOST RECENT PURCHASE AND AGE OF RESPONDENTS

* C R O S S T A B U L A T I O N O F * * * * * * * * *

VAR04 BRAND OF MOST RECENT PURCHASE BY VAR48 AGE OF RESPONDENT

* *

	VAR48					
COUNT / ROW PCT / COL PCT / TOT PCT	UNDER 20	21 - 30	31 - 40	41 - 50	OVER 50	ROW TOTAL
	0	1	2	3	4	
VAR04						
21	25	70	18	12	5	130
SWISS WATCH	19.2	53.8	13.8	9.2	3.8	56.8
	58.1	54.3	60.0	70.6	50.0	
	10.9	30.6	7.9	5.2	2.2	
22	18	59	12	5	5	99
JAP WATCH	18.2	59.6	12.1	5.1	5.1	43.2
	41.9	45.7	40.0	29.4	50.0	
	7.9	25.8	5.2	2.2	2.2	
COLUMN TOTAL	43	129	30	17	10	229
	18.8	56.3	13.1	7.4	4.4	100.0

RAW CHI SQUARE = 2.00001 WITH 4 DEGREES OF FREEDOM. SIGNIFICANCE = 0.7358

CRAMER'S V = 0.09345

CONTINGENCY COEFFICIENT = 0.09305

ETA = 0.09718 WITH VAR04 DEPENDENT. = 0.02745 WITH VAR48 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 71

TABLE 13

BRAND OF MOST RECENT PURCHASE AND MARITAL STATUS OF RESPONDENTS

* C R O S S T A B U L A T I O N O F *

VAR04 BRAND OF MOST RECENT PURCHASE BY VAR49 MARITAL STATUS OF RESPONDENT PAG

		VAR49		
	COUNT I			
	ROW PCT ISINGLE	MARRIED	ROW	
	COL PCT I		TOTAL	
	TOT PCT I 0	1	I	
VAR04	---------I---------I---------I			
21	I 79	51	I 130	
SWISS WATCH	I 60.8	39.2	I 56.8	
	I 56.0	58.0	I	
	I 34.5	22.3	I	
	-I---------I---------I			
22	I 62	37	I 99	
JAP WATCH	I 62.6	37.4	I 43.2	
	I 44.0	42.0	I	
	I 27.1	16.2	I	
	-I---------I---------I			
COLUMN	141	88	229	
TOTAL	61.6	38.4	100.0	

CORRECTED CHI SQUARE = 0.02223 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.8815
RAW CHI SQUARE = 0.03191 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.7747
PHI = 0.01391
CONTINGENCY COEFFICIENT = 0.01391
ETA = 0.03436 WITH VAR04 DEPENDENT. = 0.01892 WITH VAR49 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 71

TABLE 14

AMOUNT PAID FOR THE WATCH

VAR05 AMOUNT PAID

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
BELOW HK$200	0.	118	39.3	39.6	39.6
$200 - $400	1.	102	34.0	34.2	73.8
$401 - $700	2.	48	16.0	16.1	89.9
$701 - $1000	3.	12	4.0	4.0	94.0
ABOVE $1000	4.	18	6.0	6.0	100.0
	9.	2	0.7	MISSING	100.0
	TOTAL	300	100.0	100.0	

MEAN	1.027	STD ERR	0.065	MEDIAN	0.804
MODE	0.0	STD DEV	1.125	VARIANCE	1.265
KURTOSIS	0.752	SKEWNESS	1.147	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		
VALID CASES	298	MISSING CASES	2		

TABLE 15

YEARS OF MOST RECENT PURCHASE

VAR06 YEARS OF MOST RECENT PURCHASE

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
LESS THAN 1 YEAR	0.	120	40.0	40.0	40.0
1 - 2 YRS	1.	83	27.7	27.7	67.7
2 - 4	2.	59	19.7	19.7	87.3
4 - 7	3.	26	8.7	8.7	96.0
7 - 10	4.	5	1.7	1.7	97.7
OVER 10	5.	7	2.3	2.3	100.0
	TOTAL	300	100.0	100.0	

MEAN	1.113	STD ERR	0.070	MEDIAN	0.861
MODE	0.0	STD DEV	1.208	VARIANCE	1.459
KURTOSIS	0.971	SKEWNESS	1.111	RANGE	5.000
MINIMUM	0.0	MAXIMUM	5.000		
VALID CASES	300	MISSING CASES	0		

TABLE 16

BRAND OF MOST RECENT PURCHASE AND

YEARS OF MOST RECENT PURCHASE

* C R O S S T A B U L A T I O N O F *

VAR04 BRAND OF MOST RECENT PURCHASE BY VAR06 YEARS OF MOST RECENT PURCHASE

* PAGE

	VAR06						
COUNT / ROW PCT / COL PCT / TOT PCT	LESS THA 1 YEAR	1 - 2 YR	2 - 4	4 - 7	7 - 10	OVER 10	ROW TOTAL
	0	1	2	3	4	5	
VAR04							
21	31	44	35	14	2	4	130
SWISS WATCH	23.8	33.8	26.9	10.8	1.5	3.1	56.8
	40.8	63.8	66.0	63.6	50.0	80.0	
	13.5	19.2	15.3	6.1	0.9	1.7	
22	45	25	18	8	2	1	99
JAP WATCH	45.5	25.3	18.2	8.1	2.0	1.0	43.2
	59.2	36.2	34.0	36.4	50.0	20.0	
	19.7	10.9	7.9	3.5	0.9	0.4	
COLUMN TOTAL	76	69	53	22	4	5	229
	33.2	30.1	23.1	9.6	1.7	2.2	100.0

RAW CHI SQUARE = 13.73693 WITH 5 DEGREES OF FREEDOM. SIGNIFICANCE = 0.0260

CRAMER'S V = 0.23584

CONTINGENCY COEFFICIENT = 0.22654

ETA = 0.23729 WITH VAR04 DEPENDENT. = 0.17811 WITH VAR06 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 71

TABLE 17

TYPE OF MOST RECENT PURCHASE

VAR07 TYPE OF MOST RECENT PURCHASE

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
MECHANICAL	0.	209	69.7	69.7	69.7
ORDINARY DIGITAL	1.	28	9.3	9.3	79.0
QUARTZ DIGITAL	2.	32	10.7	10.7	89.7
QUARTZ ANALOG	3.	26	8.7	8.7	98.3
QUARTZ DIGITAL-ANALOG	4.	5	1.7	1.7	100.0
	TOTAL	300	100.0	100.0	

MEAN	0.033	STD ERR	0.062	MEDIAN	0.218
MODE	0.0	STD DEV	1.081	VARIANCE	1.169
KURTOSIS	0.971	SKEWNESS	1.505	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		

VALID CASES 300 MISSING CASES 0

TABLE 18

BRAND AND TYPE OF MOST RECENT PURCHASE

* C R O S S T A B U L A T I O N O F * * * * * * * * * * * * * * * * * * *

VAR04 BRAND OF MOST RECENT PURCHASE BY VAR07 TYPE OF MOST RECENT PURCHASE

* * * * * * * * * * * * * * * * * * * \

TABLE 19

REASON FOR THE PURCHASE

VAR08 REASON FOR THE PURCHASE

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
OLD ONE WORN	0.	115	38.3	39.0	39.0
OUT OF FASHION	1.	63	21.0	21.4	60.3
GIFT FOR SOMEONE	2.	39	13.0	13.2	73.6
FIRST WATCH	3.	35	11.7	11.9	85.4
OTHER REASONS	4.	43	14.3	14.6	100.0
	9.	5	1.7	MISSING	100.0
	TOTAL	300	100.0	100.0	

MEAN	1.417	STD ERR	0.085	MEDIAN	1.016
MODE	0.0	STD DEV	1.464	VARIANCE	2.142
KURTOSIS	-1.060	SKEWNESS	0.607	RANGE	4.000
MINIMUM	0.0	MAXIMUM	4.000		
VALID CASES	295	MISSING CASES	5		

TABLE 20

CONDITION OF THE PURCHASE

VAR09 CONDITION OF THE PURCHASE

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
PLANNED & FIXED	0.	76	25.3	25.4	25.4
PLANNED & CHANGED	1.	50	16.7	16.7	42.1
NOT PLANNED	2.	173	57.7	57.9	100.0
	.	1	0.3	MISSING	100.0
	TOTAL	300	100.0	100.0	

MEAN	1.324	STD ERR	0.049	MEDIAN	1.636
MODE	2.000	STD DEV	0.854	VARIANCE	0.730
KURTOSIS	-1.293	SKEWNESS	-0.677	RANGE	2.000
MINIMUM	0.0	MAXIMUM	2.000		

VALID CASES 299 MISSING CASES 1

TABLE 21

BRAND AND CONDITION OF MOST RECENT PURCHASE

CROSSTABULATION OF VAR04 BRAND OF MOST RECENT PURCHASE BY VAR09 CONDITION OF THE PURCHASE

VAR04	COUNT / ROW PCT / COL PCT / TOT PCT	VAR09 0 PLANNED & FIXED	VAR09 1 PLANNED & CHANGED	VAR09 2 NOT PLANNED	ROW TOTAL
21 SWISS WATCH		32	23	74	129
	ROW PCT	24.8	17.8	57.4	56.6
	COL PCT	59.3	57.5	55.2	
	TOT PCT	14.0	10.1	32.5	
22 JAP WATCH		22	17	60	99
	ROW PCT	22.2	17.2	60.6	43.4
	COL PCT	40.7	42.5	44.8	
	TOT PCT	9.6	7.5	26.3	
COLUMN TOTAL		54	40	134	228
		23.7	17.5	58.8	100.0

RAW CHI SQUARE = 0.27186 WITH 2 DEGREES OF FREEDOM. SIGNIFICANCE = 0.8729
CRAMER'S V = 0.03453
CONTINGENCY COEFFICIENT = 0.03451
ETA = 0.04417 WITH VAR04 DEPENDENT. = 0.03450 WITH VAR09 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 72

TABLE 22

INFORMATION SOURCES SOUGHT

VAR10 INFORMATION SOURCES SOUGHT

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
TELEVISION	0.	37	12.3	12.8	12.8
RADIO	1.	3	1.0	1.0	13.9
NEWSPAPER	2.	12	4.0	4.2	18.1
MAGAZINE	3.	8	2.7	2.8	20.8
FRIENDS	4.	75	25.0	26.0	46.9
WATCH RETAIL SHOPS	5.	126	42.0	43.8	90.6
OTHERS	6.	27	9.0	9.4	100.0
	9.	12	4.0	MISSING	100.0
	TOTAL	300	100.0	100.0	

MEAN	3.969	STD ERR	0.105	MEDIAN	4.571
MODE	5.000	STD DEV	1.779	VARIANCE	3.166
KURTOSIS	0.585	SKEWNESS	-1.324	RANGE	6.000
MINIMUM	0.0	MAXIMUM	6.000		
VALID CASES	288	MISSING CASES	12		

TABLE 23

BRAND OF MOST RECENT PURCHASE

AND INFORMATION SOURCES SOUGHT

* C R O S S T A B U L A T I O N O F *

VAR04 BRAND OF MOST RECENT PURCHASE BY VAR10 INFORMATION SOURCES SOUGHT

* *

VAR04	VAR10	0	1	2	3	4	5	6	ROW TOTAL
	COUNT	14	2	2	2	38	57	9	124
SWISS WATCH	ROW PCT	11.3	1.6	1.6	1.6	30.6	46.0	7.3	56.1
	COL PCT	40.0	100.0	22.2	28.6	71.7	57.6	56.3	
	TOT PCT	6.3	0.9	0.9	0.9	17.2	25.8	4.1	
	COUNT	21	0	7	5	15	42	7	97
BAR WATCH	ROW PCT	21.6	0.0	7.2	5.2	15.5	43.3	7.2	43.9
	COL PCT	60.0	0.0	77.8	71.4	28.3	42.4	43.8	
	TOT PCT	9.5	0.0	3.2	2.3	6.8	19.0	3.2	
COLUMN TOTAL		35	2	9	7	53	99	16	221
		15.8	0.9	4.1	3.2	24.0	44.8	7.2	100.0

RAW CHI SQUARE = 16.32123 WITH 6 DEGREES OF FREEDOM. SIGNIFICANCE = 0.0096

CRAMER'S V = 0.27671

CONTINGENCY COEFFICIENT = 0.26665

ETA = 0.27874 WITH VAR04 DEPENDENT. = 0.14320 WITH VAR10 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 76

TABLE 24

FACTOR MATRIX USING PRINCIPAL FACTOR WITH ITERATIONS

WATCH CUSTOMER SURVEY
FACTOR ANALYSIS

FACTOR MATRIX USING PRINCIPAL FACTOR WITH ITERATIONS

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	LABELS..
VAR11	0.07149	0.09266	0.40214	-0.37547	PRICE AFFECTS CHOICE
VAR12	0.45566	0.61290	-0.27425	-0.19690	BRAND NAME AFFECTS CHOICE
VAR13	0.37205	0.33351	-0.11942	-0.05700	PRODUCING COUNTRY AFFECTS CHOICE
VAR14	0.08923	0.44951	0.26927	-0.00688	ADVERTISING AFFECTS CHOICE
VAR15	-0.02243	0.27236	0.44919	0.17381	SALESMAN RECOMMENDATION AFFECTS CHOICE
VAR16	0.59323	-0.30753	0.08135	0.00131	ACCURACY AFFECTS CHOICE
VAR17	0.76542	-0.16532	-0.01080	0.11291	QUALITY AFFECTS CHOICE
VAR18	-0.01454	0.29658	-0.00139	0.20170	STYLE AFFECTS CHOICE
VAR19	0.52394	-0.29324	0.17005	0.08785	DURABILITY AFFECTS CHOICE
VAR20	0.05026	0.40255	0.00168	0.24915	PRECIOUS METAL,STONE EMBEDED AFFECT CHOI

VARIABLE	COMMUNALITY
VAR11	0.31639
VAR12	0.69727
VAR13	0.26716
VAR14	0.28257
VAR15	0.30687
VAR16	0.44139
VAR17	0.62606
VAR18	0.12885
VAR19	0.40346
VAR20	0.27959

FACTOR	EIGENVALUE	PCT OF VAR	CUM PCT
1	1.56952	41.9	41.9
2	1.28152	34.2	76.1
3	0.56111	15.0	91.0
4	0.33647	9.0	100.0

TABLE 25

FACTOR SCORE COEFFICIENTS

OF FACTOR ANALYSIS

WATCH CUSTOMER SURVEY
FACTOR ANALYSIS
FILE NONAME (CREATION DATE = 04/28/80)

FACTOR SCORE COEFFICIENTS

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4
VAR11	0.00156	0.01037	-0.04678	0.49240
VAR12	-0.07682	0.72157	-0.02963	0.04368
VAR13	0.02165	0.14580	0.03135	0.00146
VAR14	-0.01022	0.01641	0.24004	0.18161
VAR15	0.06059	-0.10401	0.36640	0.15342
VAR16	0.28458	-0.03168	-0.08142	0.05918
VAR17	0.49174	0.11115	0.03255	-0.11900
VAR18	-0.01681	0.00973	0.17554	-0.09193
VAR19	0.28155	-0.05273	0.02592	0.04849
VAR20	-0.01588	0.04217	0.20346	-0.12903

TABLE 26

CANONICAL DISCRIMINANT

FUNCTION

WATCH CUSTOMER SURVEY
TWO GROUP DISCRIMINANT ANALYSIS

ON GROUPS DEFINED BY VAR04 BRAND OF MOST RECENT PURCHASE

CANONICAL DISCRIMINANT FUNCTIONS

FUNCTION	EIGENVALUE	PERCENT OF VARIANCE	CUMULATIVE PERCENT	CANONICAL CORRELATION
1*	0.07227	100.00	100.00	0.2696102

AFTER FUNCTION	WILKS' LAMBDA	CHI-SQUARED	D.F.	SIGNIFICANCE
0	0.9326025	15.281	10	0.1221

TABLE 27

CLASSIFICATION RESULTS OF DISCRIMINANT

ANALYSIS

WATCH CUSTOMER SURVEY
TWO GROUP DISCRIMINANT ANALYSIS

CLASSIFICATION RESULTS -

ACTUAL GROUP	NO. OF CASES	PREDICTED GROUP MEMBERSHIP 21	22
GROUP 21 SWISS WATCH	128	120 93.8%	8 6.3%
GROUP 22 JAP WATCH	98	90 91.8%	8 8.2%
UNGROUPED CASES	71	62 87.3%	9 12.7%

PERCENT OF "GROUPED" CASES CORRECTLY CLASSIFIED: 56.64%

TABLE 28

BRAND OF MOST RECENT PURCHASE AND BEST WATCH BY COUNTRY

CROSSTABULATION OF VAR04 BRAND OF MOST RECENT PURCHASE BY VAR21 BEST WATCH BY COUNTRY

VAR04	VAR21	0	1	2	ROW TOTAL
SWISS WATCH	21	7	118	2	128
		5.5	93.0	1.6	57.7
		21.9	66.1	20.0	
		3.2	53.6	0.9	
JAP WATCH	22	25	61	8	94
		26.6	64.9	8.5	42.3
		78.1	33.9	80.0	
		11.3	27.5	3.6	
COLUMN TOTAL		32	180	10	222
		14.4	81.1	4.5	100.0

RAW CHI SQUARE = 27.86014 WITH 2 DEGREES OF FREEDOM. SIGNIFICANCE = 0.0000
CRAMER'S V = 0.35425
CONTINGENCY COEFFICIENT = 0.33392
ETA = 0.35493 WITH VAR04 DEPENDENT. = 0.16542 WITH VAR21 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 78

TABLE 29

BRAND OF NEXT PURCHASE AND SEX OF RESPONDENTS

* C R O S S T A B U L A T I O N O F * * * * * * * *

VAR36 BRAND OF NEXT PRUCHASE BY VAR46 SEX OF RESPONDENT

* *

	VAR46		
COUNT / ROW PCT / COL PCT / TOT PCT	MALE 0	FEMALE 1	ROW TOTAL
VAR36 21 SWISS WATCH	59	44	103
	57.3	42.7	57.5
	50.9	69.8	
	33.0	24.6	
22 BAR WATCH	57	19	76
	75.0	25.0	42.5
	49.1	30.2	
	31.8	10.6	
COLUMN TOTAL	116	63	179
	64.8	35.2	100.0

CORRECTED CHI SQUARE = 5.26766 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.0217

RAW CHI SQUARE = 6.01545 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.0141

PHI = 0.18338

CONTINGENCY COEFFICIENT = 0.18037

ETA = 0.18420 WITH VAR36 DEPENDENT. = 0.18338 WITH VAR46 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 121

TABLE 30

BRAND OF NEXT PURCHASE AND NATIONALITY OF RESPONDENTS

* * * * * * * * * * * * * * * * C R O S S T A B U L A T I O N O F * * * * * * * * * * * * * * *
VAR36 BRAND OF NEXT PURCHASE BY VAR47 NATIONALITY OF RESPONDENT
* *

		VAR47				
	COUNT / ROW PCT / COL PCT / TOT PCT	CHINESE 0	JAPANESE 1	EUROPEAN 2	OTHERS 4	ROW TOTAL
VAR36						
21		103	0	0	0	103
SWISS WATCH		100.0	0.0	0.0	0.0	57.5
		58.5	0.0	0.0	0.0	
		57.5	0.0	0.0	0.0	
22		73	1	1	1	76
JAP WATCH		96.1	1.3	1.3	1.3	42.5
		41.5	100.0	100.0	100.0	
		40.8	0.6	0.6	0.6	
COLUMN TOTAL		176	1	1	1	179
		98.3	0.6	0.6	0.6	100.0

RAW CHI SQUARE = 4.13502 WITH 3 DEGREES OF FREEDOM. SIGNIFICANCE = 0.2472
CRAMER'S V = 0.15192
CONTINGENCY COEFFICIENT = 0.15026
ETA = 0.15119 WITH VAR36 DEPENDENT. = 0.13379 WITH VAR47 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 121

TABLE 31

BRAND OF NEXT PURCHASE AND AGE OF RESPONDENTS

* * * * * * * * * * * * * * * * C R O S S T A B U L A T I O N O F * * * * * * * * *

VAR36 BRAND OF NEXT PURCHASE BY VAR48 AGE OF RESPONDENT

* * * * * * * * * * * * * * * \

TABLE 32

BRAND OF NEXT PURCHASE AND

MARITAL STATUS OF RESPONDENTS

* C R O S S T A B U L A T I O N O F *

VAR36 BRAND OF NEXT PRUCHASE BY VAR49 MARITAL STATUS OF RESPONDENT PA

* * * * * * * * * * * * * * * * * * * \

TABLE 33

BRAND OF NEXT PURCHASE

AND OCCUPATION OF RESPONDENTS

CROSSTABULATION OF VAR36 BRAND OF NEXT PRUCHASE BY VAR50 OCCUPATION OF RESPONDENT

VAR36	VAR50	0 PROFESSIONAL	1 WHITE COLLAR	2 BLUE COLLAR	3 BUSINESS EXECUTI	4 MERCHANT	5 CIVIL SERVANT	6 UNEMPLOYED-HOUSE	7 OTHERS	ROW TOTAL
SWISS WATCH	21	16	26	16	2	8	9	18	8	103
		15.5	25.2	15.5	1.9	7.8	8.7	17.5	7.8	57.5
		53.3	59.1	57.1	33.3	61.5	50.0	72.0	53.3	
		8.9	14.5	8.9	1.1	4.5	5.0	10.1	4.5	
JAR WATCH	22	14	18	12	4	5	9	7	7	76
		18.4	23.7	15.8	5.3	6.6	11.8	9.2	9.2	42.5
		46.7	40.9	42.9	66.7	38.5	50.0	28.0	46.7	
		7.8	10.1	6.7	2.2	2.8	5.0	3.9	3.9	
COLUMN TOTAL		30	44	28	6	13	18	25	15	179
		16.8	24.6	15.6	3.4	7.3	10.1	14.0	8.4	100.0

RAW CHI SQUARE = 4.46365 WITH 7 DEGREES OF FREEDOM. SIGNIFICANCE = 0.7263

CRAMER'S V = 0.15774

CONTINGENCY COEFFICIENT = 0.15531

ETA = 0.15540 WITH VAR36 DEPENDENT. = 0.04097 WITH VAR50 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 121

TABLE 34

BRAND OF NEXT PURCHASE AND EDUCATION OF RESPONDENTS

C R O S S T A B U L A T I O N O F

VAR36 BRAND OF NEXT PRUCHASE BY VAR51 HIGHEST EDUCATION LEVEL COMPLETED BY RES

		VAR51					
COUNT / ROW PCT / COL PCT / TOT PCT	PRIMARY SCHOOL 0	SECONDARY SCHOOL 1	POST SEC SCHOOL 2	UNIVERSITY 3	OTHERS 4	ROW TOTAL
VAR36 21 SWISS WATCH	7	72	12	11	1	103
	6.8	69.9	11.7	10.7	1.0	57.9
	46.7	62.6	54.5	45.8	50.0	
	3.9	40.4	6.7	6.2	0.6	
22 JAP WATCH	8	43	10	13	1	75
	10.7	57.3	13.3	17.3	1.3	42.1
	53.3	37.4	45.5	54.2	50.0	
	4.5	24.2	5.6	7.3	0.6	
COLUMN TOTAL	15	115	22	24	2	178
	8.4	64.6	12.4	13.5	1.1	100.0

RAW CHI SQUARE = 3.40303 WITH 4 DEGREES OF FREEDOM. SIGNIFICANCE = 0.4920

CRAMER'S V = 0.13837

CONTINGENCY COEFFICIENT = 0.13706

ETA = 0.14098 WITH VAR36 DEPENDENT. = 0.07052 WITH VAR51 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 122

TABLE 35

BRAND OF NEXT PURCHASE AND PERSONAL INCOME OF RESPONDENTS

CROSSTABULATION OF
VAR36 BRAND OF NEXT PRUCHASE BY VAR52 PERSONAL MONTHLY INCOME OF RESPONDENT
PAGE 1 OF 1

VAR36	VAR52	1 BELOW $1000	2 1001 - 2000	3 2001 - 3000	4 3001 -4000	5 4001 -5000	6 OVER 5000	ROW TOTAL
21 SWISS WATCH		25	37	17	8	6	7	100
		25.0	37.0	17.0	8.0	6.0	7.0	57.5
		64.1	63.8	50.0	42.1	60.0	50.0	
		14.4	21.3	9.8	4.6	3.4	4.0	
22 JAP WATCH		14	21	17	11	4	7	74
		18.9	28.4	23.0	14.9	5.4	9.5	42.5
		35.9	36.2	50.0	57.9	40.0	50.0	
		8.0	12.1	9.8	6.3	2.3	4.0	
COLUMN TOTAL		39	58	34	19	10	14	174
		22.4	33.3	19.5	10.9	5.7	8.0	100.0

RAW CHI SQUARE = 4.60796 WITH 5 DEGREES OF FREEDOM. SIGNIFICANCE = 0.4656
CRAMER'S V = 0.16273
CONTINGENCY COEFFICIENT = 0.16062
ETA = 0.16454 WITH VAR36 DEPENDENT. = 0.11296 WITH VAR52 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 126

TABLE 36

CANONICAL DISCRIMINANT FUNCTIONS

WATCH CUSTOMER SURVEY
TWO GROUP DISCRIMINANT ANALYSIS

ON GROUPS DEFINED BY VAR36 BRAND OF NEXT PURCHASE

CANONICAL DISCRIMINANT FUNCTIONS

FUNCTION	EIGENVALUE	PERCENT OF VARIANCE	CUMULATIVE PERCENT	CANONICAL CORRELATION
1*	0.0956B	100.00	100.00	0.3010775

AFTER FUNCTION	WILKS' LAMBDA	CHI-SQUARED	D.F.	SIGNIFICANCE
0	0.9093523	16.154	10	0.0953

TABLE 37

CLASSIFICATION RESULTS OF DISCRIMINANT

ANALYSIS

CLASSIFICATION RESULTS -

ACTUAL GROUP	NO. OF CASES	PREDICTED GROUP MEMBERSHIP 21	22
GROUP 21 SWISS WATCH	101	90 89.1%	11 10.9%
GROUP 22 JAP WATCH	76	53 69.7%	23 30.3%
UNGROUPED CASES	120	92 76.7%	28 23.3%

PERCENT OF "GROUPED" CASES CORRECTLY CLASSIFIED: 63.64%

CLASSIFICATION PROCESSING SUMMARY

300 CASES WERE PROCESSED.
3 CASES HAD AT LEAST ONE MISSING DISCRIMINATING VARIABLE.
297 CASES WERE USED FOR PRINTED OUTPUT.

TABLE 38

FIRST MOST POPULAR BRAND

VAR37 FIRST MOST POPULAR BRAND

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
TITONI	0.	1	0.3	0.3	0.3
SEIKO	1.	114	38.0	39.0	39.4
CITIZEN	2.	57	19.0	19.5	58.9
ROLEX	3.	59	19.7	20.2	79.1
OMEGA	6.	25	8.3	8.6	87.7
TISSOT	7.	3	1.0	1.0	88.7
RADO	8.	11	3.7	3.8	92.5
OCTO	11.	2	0.7	0.7	93.2
BULOVA	12.	2	0.7	0.7	93.8
ENICAR	13.	2	0.7	0.7	94.5
TUDOR	14.	1	0.3	0.3	94.9
GIRARD PERREGAUX	17.	5	1.7	1.7	96.6
SANDOZ	18.	3	1.0	1.0	97.6
TITUS	19.	1	0.3	0.3	97.9
OTHERS	20.	6	2.0	2.1	100.0
	.	8	2.7	MISSING	100.0
	TOTAL	300	100.0	100.0	

MEAN	3.925	STD ERR	0.250	MEDIAN	2.044
MODE	1.000	STD DEV	4.273	VARIANCE	18.255
KURTOSIS	5.041	SKEWNESS	2.217	RANGE	20.000
MINIMUM	0.0	MAXIMUM	20.000		

VALID CASES 292 MISSING CASES 8

TABLE 39

SECOND MOST POPULAR BRAND

VAR38 SECOND MOST POPULAR BRAND

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
SEIKO	1.	65	21.7	22.6	22.6
CITIZEN	2.	74	24.7	25.7	48.3
ROLEX	5.	31	10.3	10.8	59.0
OMEGA	6.	50	16.7	17.4	76.4
TISSOT	7.	10	3.3	3.5	79.9
RADO	8.	14	4.7	4.9	84.7
OCTO	11.	4	1.3	1.4	86.1
BULOVA	12.	6	2.0	2.1	88.2
ENICAR	13.	2	0.7	0.7	88.9
TUDOR	14.	3	1.0	1.0	89.9
TUGADIS	16.	1	0.3	0.3	90.3
GIRARD PERREGAUX	17.	8	2.7	2.8	93.1
SANDOZ	18.	5	1.7	1.7	94.8
TITUS	19.	5	1.7	1.7	96.5
OTHERS	20.	10	3.3	3.5	100.0
	9.	12	4.0	MISSING	100.0
	TOTAL	300	100.0	100.0	

MEAN	5.455	STD ERR	0.311	MEDIAN	4.661
MODE	2.000	STD DEV	5.296	VARIANCE	27.942
KURTOSIS	1.381	SKEWNESS	1.499	RANGE	19.000
MINIMUM	1.000	MAXIMUM	20.000		

VALID CASES 288 MISSING CASES 12

TABLE 40

THIRD MOST POPULAR BRAND

VAR39 THIRD MOST POPULAR BRAND

CATEGORY LABEL	CODE	ABSOLUTE FREQ	RELATIVE FREQ (PCT)	ADJUSTED FREQ (PCT)	CUM FREQ (PCT)
TITONI	0.	3	1.0	1.1	1.1
SEIKO	1.	46	15.3	17.3	18.4
CITIZEN	2.	34	11.3	12.8	31.2
ORIENT	3.	5	1.7	1.9	33.1
CASIO	4.	1	0.3	0.4	33.5
ROLEX	5.	26	8.7	9.8	43.2
OMEGA	6.	36	12.0	13.5	56.8
TISSOT	7.	14	4.7	5.3	62.0
RADO	8.	24	8.0	9.0	71.1
MILUS	10.	2	0.7	0.8	71.8
OCTO	11.	6	2.0	2.3	74.1
BULOVA	12.	9	3.0	3.4	77.4
ENICAR	13.	7	2.3	2.6	80.1
TUDOR	14.	4	1.3	1.5	81.6
GIRARD PERREGAUX	17.	22	7.3	8.3	89.8
SANDOZ	18.	8	2.7	3.0	92.9
TITUS	19.	10	3.3	3.8	96.6
OTHERS	20.	9	3.0	3.4	100.0
	.	34	11.3	MISSING	100.0
	TOTAL	300	100.0	100.0	

TABLE 41

BRAND OF MOST RECENT PURCHASE

AND FIRST MOST POPULAR BRAND OF WATCH

* C R O S S T A B U L A T I O N O F * * * * * * * * * * * *
VAR04 BRAND OF MOST RECENT PURCHASE BY VAR37 FIRST MOST POPULAR BRAND
* *

VAR04	COUNT / ROW PCT / COL PCT / TOT PCT	VAR37 21	VAR37 22	ROW TOTAL
21	SWISS WATCH	62	62	124
		50.0	50.0	56.6
		68.9	48.1	
		28.3	28.3	
22	JAP WATCH	28	67	95
		29.5	70.5	43.4
		31.1	51.9	
		12.8	30.6	
COLUMN TOTAL		90 41.1	129 58.9	219 100.0

CORRECTED CHI SQUARE = 8.58348 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.0035
RAW CHI SQUARE = 9.36223 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.0022

PHI = 0.20676
CONTINGENCY COEFFICIENT = 0.20248
ETA = 0.20765 WITH VAR04 DEPENDENT. = 0.20876 WITH VAR37 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 81

TABLE 42

BRAND OF MOST RECENT PURCHASE

AND SECOND MOST POPULAR BRAND

* * * * * * * * * * * * * * * * C R O S S T A B U L A T I O N O F * * * * * * * * * * * * * * * *
VAR04 BRAND OF MOST RECENT PURCHASE BY VAR38 SECOND MOST POPULAR BRAND
* *

	VAR38		
COUNT ROW PCT COL PCT TOT PCT	SWISS WATCH	JAP WATCH	ROW TOTAL
VAR04			
21 SWISS WATCH	72 60.0 69.9 33.8	48 40.0 43.6 22.5	120 56.3
22 JAP WATCH	31 33.3 30.1 14.6	62 66.7 56.4 29.1	93 43.7
COLUMN TOTAL	103 48.4	110 51.6	213 100.0

CORRECTED CHI SQUARE = 13.97068 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.0002
RAW CHI SQUARE = 14.51938 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.0001

PHI = 0.26466
CONTINGENCY COEFFICIENT = 0.25585
ETA = 0.26602 WITH VAR04 DEPENDENT. = 0.26648 WITH VAR38 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 87

TABLE 43

BRAND OF MOST RECENT PURCHASE AND THIRD MOST

POPULAR BRAND

CROSSTABULATION OF VAR04 BRAND OF MOST RECENT PURCHASE BY VAR39 THIRD MOST POPULAR BRAND

VAR04	VAR39 21	VAR39 22	ROW TOTAL
21 SWISS WATCH	74	40	114
	64.9	35.1	56.7
	54.0	62.5	
	36.8	19.9	
22 JAP WATCH	63	24	87
	72.4	27.6	43.3
	46.0	37.5	
	31.3	11.9	
COLUMN TOTAL	137	64	201
	68.2	31.8	100.0

CORRECTED CHI SQUARE = 0.96712 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.3279

RAW CHI SQUARE = 1.27944 WITH 1 DEGREE OF FREEDOM. SIGNIFICANCE = 0.2580

PHI = 0.07978

CONTINGENCY COEFFICIENT = 0.07953

ETA = 0.08344 WITH VAR04 DEPENDENT. = 0.08769 WITH VAR39 DEPENDENT.

NUMBER OF MISSING OBSERVATIONS = 99

APPENDIX 5

QUESTION GUIDELINE FOR

DISGUISED STRUCTURED PERSONAL INTERVIEWS

WITH RETAIL SHOP SALESMEN

The purpose of this interview is to investigate the attitudes of the salesman in dealing with a potential customer and his/her influence on a customer's buying decision. Therefore, the questions to be asked would be as vague as possible, and let the salesman take the initiative to give information.

The interviewer acts as a potential watch buyer and therefore should dress in casual wear of the prescribed role assigned. Disguised interviews are to be held with salesmen of watch retail shops which have been chosen through a random process, so please find the enclosed list.

1. I am interested in looking at a few of your watches.

   If the salesman responds with questions such as: How much do you want to pay? The interviewer should say,"I am not sure."

   If the salesman says," Are you thinking about buying the watch as a gift or for yourself?" The interviewer should say," Perhaps one of each."
2. Which of the watches would you recommend?
3. Why do you recommend that watch?
4. How would this brand compare to that brand?

   If the salesman recommends Japanese brand, the interviewer asks about a Swiss brand and vice versa.
5. What are the primary differences between the Japanese and Swiss brands?
6. What are the best points about the Swiss watches?
7. What are the best points about the Japanese watches?
8. Do you carry any Hong Kong made watches? If yes, which ones?
9. How do you feel about Hong Kong made watches?
10. Of all these watches which would you recommend?

After each interview, please fill out the questionnaire and answer the questions as soon as possible, and at the end of the last interview, please write a few lines about your overall feelings of the interviews.

Type ____

C1

QUESTIONS TO BE ANSWERED BY THE INTERVIEWER AFTER THE INTERVIEW

1. The salesman is interested/enthusiastic about selling watches.

Strongly disagree 1 2 3 4 5 Strongly agree C2 ____

2. The salesman influences my buying decision.

Strongly disagree 1 2 3 4 5 Strongly agree C3 ____

3. The salesman provides me with relevant information.

Strongly disagree 1 2 3 4 5 Strongly agree C4 ____

4. I would buy from the salesman.

Strongly disagree 1 2 3 4 5 Strongly agree C5 ____

5. Which product/brand did the salesman attempt to sell you?

_____ C6-7 ____

6. Did he/she physically show the watch?

No ____ 01

Yes ____ 02 C8 ____

7. What are the primary differences between the Japanese and Swiss brands perceived by the salesman? What are their good points?

	01 Swiss better	02 Japanese better	03 No diff.	
Price	____	____	____	C9
Quality	____	____	____	C10
Style	____	____	____	C11
Functions	____	____	____	C12
Accuracy	____	____	____	C13
After-sales service	____	____	____	C14
Reputation	____	____	____	C15
Durability	____	____	____	C16
Others (please specify)	_____			C17

197

8. Did the company carry Hong Kong watches?

No _____ 01

Yes _____ 02 C18

9. What are the opinions of the salesman about Hong Kong watches?

10. What are your overall opinions of the salesman?

QUESTION TO BE ANSWERED BY THE INTERVIEWER AFTER THE LAST INTERVIEW

When finishing the last interview, what are your overall feelings about these salesmen with respect to their influences on customer's watch buying behaviour, and their attitudes towards Swiss and Japanese watches?

QUESTIONNAIRE FOR RETAILER SURVEY

This is a survey on watch retailers' opinion about watch market in Hong Kong, and is a part of a market research project on 'WATCH RETAILING MARKET IN HONG KONG'. All the information given will be kept strictly confidential, and your answers are essential to the accuracy of the study. Thank you for your cooperation.

Please put a (√) to the answer that you think most appropriate; unless, otherwise, a figure or a percentage is needed.

PART I

1. Does your company sell the following items?

Japanese watches	____	1	C3
Swiss watches	____	2	
Hong Kong watches	____	4	

2. Is your company an authorized retailer of certain brand(s)?

No	____	0	C4
Yes	____	1 (please specify)	_____

3. What are the three watch brands of best-sales in your shop?

1. _____ C5-6
2. _____ C7-8
3. _____ C9-10

4. What are the average sales of watches of your company?

	Sales in percentage (%)	
Japanese watches	_____%	C11-13
Swiss watches	_____%	C14-16
Hong Kong watches	_____%	C17-19

PART II

5. What are the percentages of your watch buyers?

	Swiss watch		Japanese watch	
Local citizens	_____%	C20-22	_____%	C26-28
Tourists	_____%	C23-25	_____%	C29-31
	100%		100%	

6. What do your customers look for first when they are buying a watch?

	C32 First choice	C33 Second choice
Price 0	____	____
Style 1	____	____
Quality 2	____	____
Durability 3	____	____
Accuracy 4	____	____
Others (specify) 5	____	____

7. Do different kinds of customers have different preferences?

		0 Swiss watch	1 Japanese watch	2 No. different
C34	Local customers	____	____	____
C35	Japanese	____	____	____
C36	Other Asian	____	____	____
C37	European & American	____	____	____

8. If the customer has no preference, what do you do?

C38

1. Recommend the authorized brand	____	0
2. Recommend a Japanese brand	____	1
3. Recommend a Swiss brand	____	2
4. Recommend a brand matching the customer's taste	____	3
5. Show a few models for the customer to choose	____	4
6. Others (please specify) _____		5

PART III

9. Which country's watches are better in terms of the following:

		0 Swiss Watch	1 Japanese Watch	2 No Diff.	3 Others
C39	Terms of payment	____	____	____	____
C40	Total discount	____	____	____	____
C41	Profit per watch	____	____	____	____
C42	Frequency of salesrep's call	____	____	____	____
C43	Efficiency of order delivery	____	____	____	____
C44	Sole agent's assistance	____	____	____	____

10. Which country-made watches are easier to sell in your company?

Swiss watch	____	0	C45
Japanese watch	____	1	
No difference	____	2	
Others	____	3	

11. Why the particular country's watches in question 10 are easier to sell?

Good advertising	____	0	C46
Good pricing	____	1	
Good after-sales service	____	2	
Fewer brands to choose	____	3	
More brands to choose	____	4	
Good products	____	5	
Others (specify)	____	6	

12. How do sales of Swiss watches compare with Japanese watches in your shop?

		Better sales	
		0 Swiss watch	1 Japanese watch
C47	Mechanical watch	____	____
C48	Quartz watch	____	____
C49	High-price watch (above $1,000)	____	____

		Better sales	
		0 Swiss watch	1 Japanese watch
C50	Middle-high price ($701-$1000)	____	____
C51	Middle price ($401-$700)	____	____
C52	Middle-lower price ($200-$400)	____	____
C53	Lower price (below $200)	____	____

13. What are your recommendations for promoting Swiss watches in Hong Kong?

Products		C54
Fewer brands	____ 0	
More brands	____ 1	
Better design	____ 2	
Better quality	____ 3	
No need to change	____ 4	
Others (specify) _____		5

Price		C55
Reduce prices	____ 0	
Increase prices	____ 1	
Keep the present prices	____ 2	
Others (specify) _____		3

Promotions		C56
More advertising	____ 0	
Change image	____ 1	
Better after-sales service	____ 2	
No need to change	____ 3	
Others (specify) _____		4

Distribution C57

More commissions ____ 0

More contacts with retailers ____ 1

More help to retailers ____ 2

No need to change ____ 3

Others (specify) _____ 4

PART IV CLASSIFICATION INFORMATION

The following questions are for classification purpose only. All information obtained will be kept strictly confidential. Thank you.

1. How many salesmen are employed in your shop?

No. of salesmen C58

1 person or less ____ 0

2 - 3 ____ 1

4 - 5 ____ 2

6 - 7 ____ 3

8 - 10 ____ 4

Over 10 ____ 5

2. Who are your major customers? C59

Local citizens ____ 0

Tourists ____ 1

3. Location of the shop: C60-61

Kowloon			Hong Kong Island		
Tsim Sha Tsui	____	0	Central	____	7
Yau Ma Tei	____	1	West & Aberdeen	____	8
Cheung Sha Wan	____	2	Wanchai & Tai Hang	____	10
Homantin & Hung Hum	____	3	North Point	____	11
Kai Tak	____	4	Shau Kei Wan	____	12
NgautauKok & Kwun Tong	____	5			
Mong Kok	____	6			

PART V

Does your company need any help from sole agents?

No. _____ 0 C62

Yes _____ 1

If your answer is ' yes ', please specify what kind of assistance you need from sole agents.

205
Serial C1-2

香港中文大學
嶺南工商管理研究所
手錶零售商意見研究問卷

這份問卷純屬學術研究，目的在探求手錶零售商對手錶零售的意見。閣下所提供之資料，將絕對保密。請盡量回答下列各問題，並在適當的空位，以"√"表示答案。多謝幫助。

1. 貴公司有否銷售下列各類手錶？

日本錶	___	1	C3
瑞士錶	___	2	
香港錶	___	4	

2. 貴公司是否某些牌子的特約零售商？

不是	___	0	C4
是	___	1	(請說明該牌子) _____

3. 貴公司最暢銷的首三個牌子是甚麼？

1. _____ C5-6
2. _____ C7-8
3. _____ C9-10

4. 下列各類錶在貴公司銷售的百分率是多少？

	銷售百分率 (%)	
日本錶	_____ %	C11-13
瑞士錶	_____ %	C14-16
香港錶	_____ %	C17-19

5. 貴公司下列各類錶的顧客之百分率：

	瑞士錶	日本錶	
本地居民 C20-22	_____ %	_____ %	C26-28
遊客 C23-25	_____ %	_____ %	C29-31
	共 100%	共 100%	

6. 貴公司的顧客在選購時，首選的二項條件是甚麼？ 206

		第一選擇 C32	第二選擇 C33
價錢	0	____	____
款式	1	____	____
品質	2	____	____
耐用性	3	____	____
準確性	4	____	____
其他	5	____	____

7. 各類顧客是否有不同偏好？

		0 瑞士錶	1 日本錶	2 沒有偏好
本地居民	C34	____	____	____
日本人	C35	____	____	____
其他亞洲人	C36	____	____	____
歐美人仕	C37	____	____	____

8. 如顧客在選購時沒有偏好，你們怎樣做？

1. 介紹特約代理的牌子	____ 0	C38
2. 介紹一日本牌子	____ 1	
3. 介紹一瑞士牌子	____ 2	
4. 介紹一適合顧客品味的牌子	____ 3	
5. 陳列多種牌子，型款供顧客自己選擇	____ 4	
6. 其他（請說明）	____ 5	

9. 以下列各項作為比較的根據，瑞士錶和日本錶那種較好？

		0 瑞士錶	1 日本錶	2 沒有分別	3 其他
購貨付款限期	C39	____	____	____	____
總折扣	C40	____	____	____	____
每個錶的利潤	C41	____	____	____	____
代理推售員到訪次數	C42	____	____	____	____
代理送貨的效率	C43	____	____	____	____
代理給予的幫助	C44	____	____	____	____

10. 那國製造的錶較容易推銷？ 207

瑞士錶	____	0
日本錶	____	1
沒有分別	____	2
其他	____	3

C45

11. 為何上題所答的手錶較容易推銷？

有好的廣告宣傳	____	0
訂價較佳	____	1
保養服務較好	____	2
有較少牌子供選擇	____	3
有較多牌子供選擇	____	4
貨品較好	____	5
其他	____	6

C46

12. 瑞士錶與日本錶的銷售比較怎樣？

		較暢銷 0 瑞士錶	較暢銷 1 日本錶
機械錶	C47	____	____
石英錶	C48	____	____
高價錶 (港$1,000以上)	C49	____	____
中高價錶 (港$701至港$1,000)	C50	____	____
中價錶 (港$401至$700)	C51	____	____
中低價錶 (港$200至港$400)	C52	____	____
低價錶 (港$200以下)	C53	____	____

13. 在香港，你對推銷瑞士錶有何意見？

貨品方面 C54

少些牌子	____	0
多些牌子	____	1
款式好些	____	2
品質好些	____	3
保持現狀	____	4
其他（請說明）	____	

訂價方面 C55

減價 ____ 0
加價 ____ 1
保持現狀 ____ 2
其他(請說明) _____ 3

廣告宣傳方面 C56

增加廣告 ____ 0
改變形像 ____ 1
加強保養服務 ____ 2
保持現狀 ____ 3
其他(請說明) _____ 4

批發方面 C57

增加佣金 ____ 0
代理與零售商增加聯絡 ____ 1
代理增加給予零售商援幫 ____ 2
保持現狀 ____ 3
其他(請說明) _____ 4

分類資料:

下列各問題是為搜集分類資料而設。對閣下所提供的資料我們將絕對保密。

1. 貴公司有多少個手錶售貨員? C58

一個或以下 ____ 0
二至三個 ____ 1
四至五個 ____ 2
六至七個 ____ 3
八至十個 ____ 4
十個以上 ____ 5

2. 貴公司的主要顧客是誰？ C59

本地居民 ____ 0
遊客 ____ 1

3. 貴公司所在地區： C60-61

九龍

尖沙咀 ____ 0
油麻地 ____ 1
長沙灣、石硤尾 ____ 2
何文田，紅磡 ____ 3
啓德 ____ 4
牛頭角，觀塘 ____ 5
旺角 ____ 6

香港

中區 ____ 7
西區，香港仔 ____ 8
灣仔，大坑 ____ 10
北角 ____ 11
筲箕灣 ____ 12

4. 貴公司需要總代理的特別援助嗎？ C62

不用 ____ 0
需要 ____ 1
（請說明何種援助）

Serial C1-3

Area C4-5

QUESTIONNAIRE FOR CUSTOMER SURVEY

This is a survey on customers' opinion about watches sold in Hong Kong, and is a part of a marketing research project on 'Watch Buying Behaviour'. All the information given will be kept strictly confidential, and your answers are essential to the accuracy of the study. Thank you for your cooperation.

Please put a (✓) to the answer that you think most appropriate; unless, otherwise, a figure or percentage is needed.

PART I

1. How many watches have you bought?

(If the answer is 'no', please discontinue the interview)

No. of watch			C6
One watch	____	0	
Two	____	1	
Three or more	____	2	

2. What brand of watch is your most recent purchase?

Brand name: _____ C7-8

3. How much did you pay for it?

			C9
Below HK $200	____	0	
$200 - $400	____	1	
$401 - $700	____	2	
$701 - $1000	____	3	
Above $1000	____	4	

4. How many years ago did you buy it?

			C10
Less than 1 year	____	0	
1 - 2 years	____	1	
2 - 4	____	2	
4 - 7	____	3	
7 - 10	____	4	
Over 10	____	5	

5. What type of watch is your most recent purchase?

Mechanical (analog)	____	0	C11
Ordinary Digital	____	1	
Quartz Digital	____	2	
Quartz Analog	____	3	
Quartz Digital & Analog	____	4	

6. Why did you buy the watch?

Old one worn	____	0	C12
Old one out of fashion	____	1	
Gift for someone	____	2	
First watch	____	3	
Other reasons (specify) _____		4	

7. Under what condition did you buy the watches?

Planned to buy a particular model	____	0	C13
Planned a few models but may change when buying	____	1	
Not planned before buying	____	2	

8. What information sources did you seek before making the purchase?

Television	____	0	C14
Radio	____	1	
Newspaper	____	2	
Magazine	____	3	
Friends	____	4	
Watch Retail Shops	____	5	
Others (specify) _____		6	

9. In choosing a watch, what are the importance of the following factors in affecting your choice? Please rate from (1) for least important to (5) for most important. Please circle the number.

	Least important				Most important	
Price	1	2	3	4	5	C15
Brand name	1	2	3	4	5	C16
Producing country	1	2	3	4	5	C17
Advertising	1	2	3	4	5	C18
Salesman recommendation	1	2	3	4	5	C19
Accuracy	1	2	3	4	5	C20
Quality	1	2	3	4	5	C21
Style	1	2	3	4	5	C22
Durability	1	2	3	4	5	C23
Precious metal/stone embedded	1	2	3	4	5	C24

PART II

10. Which country's watches are the best?

Japanese watches	____ 0	C25
Swiss watches	____ 1	
Others	____ 2	

11. In comparing Japanese watches with Swiss watches, the following factors are used as bases. How good or bad are the Japanese and Swiss watches?

Swiss Watches	Least Satisfactory				Most Satisfactory	
Price	1	2	3	4	5	C26
Quality	1	2	3	4	5	C27
Style	1	2	3	4	5	C28
Durability	1	2	3	4	5	C29
After-sales service	1	2	3	4	5	C30
Variety of models for choice	1	2	3	4	5	C31
Advertising	1	2	3	4	5	C32

Japanese Watches	Least Satisfactory				Most Satisfactory	
Price	1	2	3	4	5	C33
Quality	1	2	3	4	5	C34
Style	1	2	3	4	5	C35
Durability	1	2	3	4	5	C36
After-sales service	1	2	3	4	5	C37
Variety of models for choice	1	2	3	4	5	C38
Advertising	1	2	3	4	5	C39

12. For your next purchase, what brand will you choose?

Brand name: _____ C40-41

13. Please name three most popular brands available in Hong Kong?

1. _____ C42-43

2. _____ C44-45

3. _____ C46-47

14. The following words describle the images of watches, please choose the most appropriate word, in your opinion, to describle each of them.

		Rolex	Omega	Rado	Girard Perregaux	Seiko	Citizen
Economical	0	____	____	____	____	____	____
Practical	1	____	____	____	____	____	____
Stylish	2	____	____	____	____	____	____
Elegant	3	____	____	____	____	____	____
Luxurious	4	____	____	____	____	____	____
Others (specify)	5	____	____	____	____	____	____
		C48	C49	C50	C51	C52	C53

PART III Classification Information

The following questions are for classification purpose only. All information obtained will be kept strictly confidential. Thank you.

1. Sex

Male ____ 0 C54

Female ____ 1

2. Nationality

Chinese	____	0	C55
Japanese	____	1	
European	____	2	
American	____	3	
Others (specify)	_____	4	

3. Age

Under 20	____	0	C56
21 - 30	____	1	
31 - 40	____	2	
41 - 50	____	3	
Over 50	____	4	

4. Marital Status

Single	____	0	C57
Married	____	1	

5. Occupation

Professional	____	0	C58
White collar	____	1	
Blue collar	____	2	
Business executive	____	3	
Merchant	____	4	
Civil servant	____	5	
Unemployed (student/housewife)	____	6	
Others	____	7	

6. Highest education level completed.

Primary school	____	0	C59
Secondary school	____	1	
Post secondary school	____	2	
University	____	3	
Others	____	4	

7. Personal monthly income.

Below $1000	____	0	C60
1001 - 2000	____	1	
2001 - 3000	____	2	
3001 - 4000	____	3	
4001 - 5000	____	4	
Over 5000	____	5	

-- The End --

Thank You !!

香港中文大學
嶺南工商管理研究所
手錶顧客意見問卷

Serial C1-3

Area C4-5

這份問卷純屬學術研究，目的在探求手錶顧客對手錶的意見。所提供的資料，將絕對保密。請盡量回答下列各問題，並在適當的空位上以"✓"表示答案。謝謝。

1. 你曾買過多少個手錶？（如顧客未曾買過手錶，請不用再回答下列問題。）

C6

一個手錶	____	0
二個	____	1
三個或以上	____	2

2. 你最後買的手錶是什麼牌子？

C7-8

牌子 _____

3. 你曾付款多少？

C9

$200 以下	____	0
$200 至 $400	____	1
$401 至 $700	____	2
$701 至 $1000	____	3
$1000 以上	____	4

4. 那個錶已購買了多久？

C10

一年以下	____	0
一年至二年	____	1
二年至四年	____	2
四年至七年	____	3
七年至十年	____	4
十年以上	____	5

5. 那錶是屬甚麼種類？ C11

機械錶(上鍊或自動)	____	0
電子跳字錶	____	1
石英跳字錶	____	2
石英行針錶	____	3
石英跳字兼行針錶	____	4

6. 為甚麼你買那錶？ C12

舊錶壞了或太舊	____	0
舊錶不合款式	____	1
作禮物	____	2
第一個手錶	____	3
其他理由(請說明)	____	4

7. 在甚麼情況下，你購買那錶？ C13

有計劃及選定款式	____	0
已選幾款，買時再定	____	1
沒有預先計劃	____	2

8. 在購買錶前，你曾從那裡找有關資料？ C14

電視廣告	____	0
報章廣告	____	2
雜誌廣告	____	3
朋友	____	4
鐘錶商店	____	5
[illegible]廣告	____	1
其他	____	6

9. 在選購錶時，以下各因素對你選擇手錶的影響程度如何？請圈一數字。

	很不重要					很重要	
價錢	1	2	3	4	5		C15
牌子	1	2	3	4	5		C16
製造國家	1	2	3	4	5		C17

	很不重要				很重要	
廣告	1	2	3	4	5	C18
售貨員介紹	1	2	3	4	5	C19
準確性	1	2	3	4	5	C20
品質	1	2	3	4	5	C21
款式	1	2	3	4	5	C22
耐用性	1	2	3	4	5	C23
鑲有金或寶石	1	2	3	4	5	C24

10. 甚麼國家製造的手錶，你認為最好？

日本錶	——— 0	C25
瑞士錶	——— 1	
其他	——— 2	

11. 用下列各因素去比較日本錶和瑞士錶，請表示各因素的好壞程度？

瑞士錶	十分不滿意				十分滿意	
價錢	1	2	3	4	5	C26
品質	1	2	3	4	5	C27
款式	1	2	3	4	5	C28
耐用	1	2	3	4	5	C29
保養服務	1	2	3	4	5	C30
款式多	1	2	3	4	5	C31
廣告	1	2	3	4	5	C32

日本錶	十分不滿意				十分滿意	
價錢	1	2	3	4	5	C33
品質	1	2	3	4	5	C34
款式	1	2	3	4	5	C35
耐用	1	2	3	4	5	C36
保養服務	1	2	3	4	5	C37
款式多	1	2	3	4	5	C38
廣告	1	2	3	4	5	C39

12. 下次買新錶，你會選擇甚麼牌子？

牌子 _____ C40-41

13. 請列出香港最流行的三個手錶牌子。

1. _____ C42-43
2. _____ C44-45
3. _____ C46-47

14. 下列各詞是形容手錶的形像的。請為下列各牌子選出一恰當的形容詞。

		勞力士 ROLEX	亞米茄 OMEGA	電連錶 KADO	芝柏 G.P.	精工 SEIKO	星辰 CITIZEN
經濟	0						
實用	1						
時款	2						
高雅	3						
名貴	4						
其他	5						
		C48	C49	C50	C51	C52	C53

分類資料：

下列各問題是為搜集分類資料而設。對閣下所提供的資料，我們將絕對保密。

1. 性別：

男 _____ 0
女 _____ 1 C54

2. 種族：

中國人 _____ 0
日本人 _____ 1
歐洲人 _____ 2
美國人 _____ 3
其他（請說明） _____ 4 C55

3. 年齡： C56

20 以下	____	0
21 至 30	____	1
31 至 40	____	2
41 至 50	____	3
50 以上	____	4

4. 婚姻狀況： C57

單身	____	0
已婚	____	1

5. 職業： C58

專業	____	0
白領	____	1
藍領	____	2
商業行政人員	____	3
商人	____	4
公務員	____	5
無職業(學生,主婦)	____	6
其他	____	7

6. 最高教育程度： C59

小學	____	0
中學	____	1
大專	____	2
大學	____	3
其他	____	4

7. 個人每月入息： C60

$1,000 以下	____	0
$1,001 至 $2,000	____	1
$2,001 至 $3,000	____	2
$3,001 至 $4,000	____	3
$4,001 至 $5,000	____	4
$5,000 以上	____	5

～多謝幫助～

BIBLIOGRAPHY

Books

Applebaum, William, ed. Guide to Store Location Research. New York: Addison-Wesley Publishing Co., 1968.

Bearchell, Charles A. Retailing: A Professional Approach. New York: Harcourt Brace Jovanovich, Inc., 1975.

Chou, Ya-lun. Statistical Analysis. 2nd ed. New York: Holt, Rinchart and Winsten, 1975.

Churchill, Gilbert A. Marketing Research. Illinois: The Dryden Press, 1979.

Fulop, Christina. Competition for Consumers: A Study of the Changing Channels of Distribution. London: Andre Deutsch, 1964.

Hamburg, Morris. Statistical Analysis for Decision Making. 2nd ed. New York: Harcourt Brace Jovanovich, Inc., 1977.

Marquardt, Raymond A., and Makens, James C. Retail Management Satisfaction of Customer Needs. Illinois: The Dryden Press, 1975.

McCarthy, E. Jerome. Basic Marketing: A Managerial Approach. Illinois: Richard D. Irwin, Inc., 1978.

Mun, K. S., and Yau, H. M. Marketing Research: Its Basic Methods. Hong Kong: The Chinese University Press, 1979.

Nei, Norman H.; Hull, C. Holdlai; Jenkins, Jean G.; Steinbrenner, Karin; and Bent, Dall H. Statistical Package for the Social Sciences. 2nd ed. New York: McGraw-Hill Book Company, 1970.

Reily, William J. Methods for the Study of Retail Relationship. Austin: The University of Taxes, 1959.

Robinson, Oliver Preston. Successful Retail Salesmanship. New Jersey: Prentice-Hall, Inc., 1961.

Wilcox, Roger P. Communication at Work: Writing and Speaking. Boston: Houghton Mifflin Company, 1977.

Periodicals

Chau, Sai. "The Competition in the World Watch Market." (世界手錶市場的競爭). Economic Reporter, 14 November 1979, p. 21.

Chiu, Sai. "The Watch-making Industry and Production of Spare Parts." (手錶業與手錶零件生產). Economic Reporter, 2 August 1978. p. 11-12.

Chiu, Sai-kwong. "Is There Any Scope for Future Development in the Electronic Watch Industry?" (電子錶業還有發展餘地嗎？). Economic Reporter, 22 March 1978, p. 24-25.

_____. "Hong Kong Watch Industry Encounters New Problems." (香港手錶工業遇到新困難). Economic Reporter, 22 March 1978, p. 29.

_____. "Hong Kong Now Becomes the World's Second Largest Watch Exporting Country." (港製手錶出口數量躍居世界第二位). Economic Reporter, 2 August 1978, p. 11.

_____. "Hong Kong's Electronic Watch Industry Enters a New Era." (香港電子錶業進入新紀元). Economic Reporter, 12 September 1978, p. 3-5.

Chung, Francis. "Timely Expansion." Hong Kong Trader, April 1978, p. 2-4.

"Current Scenes of Electronic Watches." Industrade Week, Vol. III, December 1978, p. 25-27.

"A Drop in Profit in the Electronic Industry." Hong Kong Productivity News, 24 April 1978, p. 12-13.

"Exports of Watches, Clocks Continue to Rise." Hong Kong Industrial News, Vol. III. 17 May 1978, p. 1.

"Hong Kong Clock Makers Challenge Region's Suppliers as Sales Pendulum Swings Their Way." Asian Sources, Vol. VIII, 12 December 1978, p. 100.

"Hong Kong Assembled Electronic Watch Industry - the World's Second Largest." Industrade Week, Vol. III, December 1978, p. 20-22.

"Hong Kong Makers Still Expanding Production of LCD Watches." Asian Sources, Vol. VIII, November 1978, p. 306-318.

Hui, Wan-ching. "Electronic Industry - the No. 2 Manufacturing Industry." (座銷躍居製造業第二位的電子業). Economic Reporter. 5 July 1978, p. 6-7.

Kan, Fung. "The Direction for Hong Kong's Electronic Watch Industry." (香港電子錶業今後努力的方向). Economic Reporter, 5 December 1979, p. 6.

_____. "The Flexibility of Hong Kong Watch Industry." (談香港手錶製造業的適應性). Economic Reporter, 28 November 1979, p. 5-6.

"The Market for Watches." Industrade Week, Vol. III, September 1978, p. 9.

"A Matter of Time." Asian Finance, 15 May 1978, p. 87-88.

Nai, Kut. "How Did Seiko Become the Leader in the World's Watch Market?" (精工錶如何躍居世界錶壇首位). Economic Reporter, 21 June 1978, p. 8-9.

Ng, Shing-king. "The New Marketing Strategy Used by Japanese Electronic Appliance Industry." (日本消費電子業經營策略的重大變革). Economic Reporter, 10 December 1979, p. 25-26.

Po, Wah. "The Local Market of Electronic Watches." (本銷市場的電子錶). Economic Reporter, 12 September 1979, p. 4.

Newspapers

"The Best Export Product." (最佳一類出口產品). Tai Kung Pao, 25 January 1979.

"Biggest Market." South China Morning Post, 6 June 1979.

"The Bright Future of Local Watch Case Industry." (錶殼工業空前好景). Sing Tao Jih Pao, 7 November 1979.

"Busy Watch Industry Gets Local Boost." South China Monring Post, 6 December 1978.

"The Clock Moves towards Quality." South China Morning Post, 9 September 1977.

"Digitals Help Boost Exports by 68.6 p.c." South China Morning Post, 25 September 1978.

"The Good Prospects of Hong Kong's Watch Case Industry." (香港錶殼業空前好景). Sing Tao Jih Pao, 7 November 1979.

"The Happiness and Worrries of Hong Kong Watch Industry." (港製錶錶喜中有憂). Tai Kung Pao, 11 March 1979.

"Hong Kong Watch Industry Faces Shakeout as Small Concerns Slash Prices to Survive." South China Morning Post, 22 November 1979.

"Local Watch Industrialists Have Received Orders of Next Year." (製錶廠接到明年五月單). Tai Kung Pao, 21 December 1978.

"Local Watch Industry Will be Better." (電子錶工業應有更大作為). Wah Kiu Yuet Pao, 9 October 1978.

"Local Watch Manufactures Received Next Year's Orders." (明年手錶出口訂單廠家陸續接入). Tai Kung Pao, 15 November 1978.

"Local Watches in the Lead." South China Morning Post, 3 April 1979.

"No. 1 Buyer of Swiss Watches." South China Morning Post, 22 November 1977.

"Oversea Investments in Hong Kong Watch Industry Exceed HK$100 Million." (本港錶業外資逾一億). Sing Tao Jih Pao, 5 February 1979.

"The Present Situation and Future Prospects of Local Electronic Watches." (香港電子錶現況和前景). Tai Kung Pao, 17 December 1978.

"Quality Control Key to Prospecting Watch Industry." South China Morning Post, 21 October 1978.

"The Sales of Electronic Watches Slow Down." (電子錶產銷的趨緩跡象). Wah Kiu Yuet Pao, 9 April 1979.

"The Sales of Local Watches Becomes No. 1 in the World." (港製手錶外銷躍居世界首位). Sing Tao Jih Pao, 5 February 1979.

"Seminar on Watches." South China Morning Post, 8 February 1979.

"Slim Quartz Analog Watches Become the New Fashion." (電子手錶新產品薄裝錶異軍突起). Tai Jung Pao, 4 October 1978.

"Some Swiss Watch Manufacturers Invest in Hong Kong Watch Industry." (部份瑞士錶廠來港投資生產). Sing Tao Jih Pao, 17 March 1979.

"Swiss and Japanese Investments in the Local Watch Industry." (瑞士與日本錶廠來港投資生產). Sing Tao Jih Pao, 2 June 1979.

"Swiss Leading Watch Manufacturers Enter Hong Kong's Watch Industry." (瑞士錶廠正進行在港設廠製造手錶). Sing Tao Jih Pao, 28 April 1979.

"Swiss Watch Industry Will Move to Hong Kong." (瑞士整體製錶工廠將會逐漸遷移來港). Sing Tao Jih Pao, 13 December 1978.

"Time for Slimmest and Smallest." South China Morning Post, 4 December 1979.

"Watch Exports Keep Ticking." South China Morning Post, 3 September 1979.

"Watch Out for Reward." South China Morning Post, 10 November 1977.

"Watch Sales." South China Morning Post, 23 March 1979.

"Watches are Ticking up Export Growth." South China Morning Post, 17 May 1978.

"Watches Tick Away to New Export Record." South China Morning Post, 5 February 1979.

"Watches That Tell a Tale." South China Morning Post, 7 June 1978.

"Watches Tick up $2 Billion in Sales." South China Morning Post, 29 August 1978.

"Watching out for the Future." South China Morning Post, 23 December 1978.

"War on Watch Cheats Ticks on." South China Morning Post, 20 February 1978.

"We're Tops - Swiss." South China Morning Post, 17 May 1978.

"When Your Product is too Good." South China Morning Post, 3 May 1979.

"World's Smallest Watch." South China Morning Post, 4 October 1979.

Others

Barnett, K. M. A. Report of the 1966 By-Census. Hong Kong Census and Statistics Department. Hong Kong: Hong Kong Government Printer, 1968.

Hong Kong Government. Hong Kong: 1980. Hong Kong Government Printing Department, 1980.

"Hong Kong and Kowloon Watch Trade Merchants Association Annual Report." 1977-1979.

"Hong Kong and Kowloon Watch and Clock Trade Workers Union Annual.", 1979.

Lai, Cheung Fai. "A Study of Hong Kong Watch Parts Industry With Special Emphasis on Marketing Management." M.B.A. thesis, Chinese University of Hong Kong, 1972.

Liu, Kam-hong. "The Development of Consumer Behaviour Models." M.B.A. thesis, Chinese University of Hong Kong, 1972.

"Watch and Clock Supplement." Hong Kong Daily News, January-March, 1980.

日本錶與瑞士錶在香港市場為榮

推銷效果之比較分析

近年來，瑞士錶在香港市場之銷售量漸漸不及日本錶。本研究之目的，在尋求瑞士錶在本地市場失利之原因，俾能使瑞士錶製造商了解當前形勢，謀求應變之對策。

本文對瑞士錶在本地市場失利之研究，是從世界手錶市場及本地市場兩個角度去着手。世界手錶市場之發展與本地手錶市場有着密切的關係，欲徹底地了解瑞士錶失利的原因，須向這兩方面作深入的探討。

在世界手錶市場中，瑞士錶正面對日本錶與香港錶之

挑戰。香港在去年更成為世界手錶出口數量最多的地方。

瑞士錶失利之原因，大體上可歸納為下列數點：第一，在一九七三年與一九七四年間受世界性經濟危機打擊。當年瑞士手錶出品下跌了百分之十五，日後恢復緩慢，從此不振。第二是石英電子錶之崛起。瑞士製錶業因放過了由美國研製成功之石英模擬電路技術，而日本則繼續不惜工本地大加發展。後來到瑞士製錶業醒覺時，日本已經在世界手錶市場中建立了牢固的地位。第三，瑞士法郎本身的急升，不僅使瑞士錶的價格完全與世界市場脫節，而且導致公司的利潤大幅下降。日本錶售價較平，加上集中宣傳某

幾個牌子，故知名度較高，顧客較容易接受。瑞士錶在各方面的壓力下，漸漸在銷量上敗給日本錶。

本地手錶市場之銷售情況調查，是從售貨員、零售商和顧客三方面着手，目的在探求他們對瑞士錶和日本錶之意見，及這些意見對他們推銷或選購方面的影響。

本研究的最主要發現，是瑞士錶仍被視為在品質、準確性和耐用性方面較日本錶為優，可惜這些因素再不是顧客選購手錶時的實際考慮條件。相反地，日本錶始終被認為款式較新，價錢較平，而這些因素正被視為重要的選購條件。日本的精工錶和星辰錶被顧客認為是最流行之牌子

，皆因每年用在這兩種牌子上的廣告費，較瑞士的流行牌子（如亞米茄和勞力士）的廣告費多出一、二倍之巨。

本研究的另一重大發現，是在零售商和顧客方面仍大有改善和發展的餘地。短期性的改革建議，集中在推銷和宣傳方面。除了加強牌子的宣傳外，品質之宣傳也應注重。其次，應提供更多和更有效的服務給予零售商和顧客：包括給顧客提供產品之詳細資料，訓練特約零售商之售貨員，使其更了解瑞士錶的品質和提高他們的推銷技巧。

長期性的改革建議，則着重於重建若干瑞士錶的形像和減低生產成本這兩點。瑞士錶應在不同的價格範圍內建

立若干較突出的形像，與其同類之日本錶直接競爭。在減低成本方面，瑞士錶廠家應增加在香港設廠裝配中價瑞士錶，至於高價名貴手錶，則仍然在瑞士國內生產。截至一九七九年初，在香港設置手錶裝配廠的外資公司共有廿七家，總投資逾一億港元之巨，其中以日本和瑞士最大。這種在勞工較廉地方設立手錶裝配廠，藉以減低生產成本的趨勢，毫無疑問將會持續下去。最後，欲保持瑞士錶在手錶技術上領先的地位，瑞士手錶製造商應合力發展更先進的製錶技術，如千年只差一秒之鈹模擬技術。

欲對手錶市場作進一步的了解和分析，必須從事更深

入的市場研究。諸如遊客選購手錶之行為、香港錶對瑞士錶銷售之影响、顧客對石英錶之接受程度等等，都有助於瑞士錶製造商或入口商釐訂長期的推銷策略。